For Receiver

PROCEEDINGS

—OF THE—

TWENTY-EIGHTH ANNUAL MEETING

—OF THE—

STOCKHOLDERS

—OF THE—

Atlantic & North Carolina

RAIL ROAD COMPANY,

HELD AT MOREHEAD CITY, N. C.

THURSDAY, JUNE 29TH, 1882.

NEWBERN, N. C.
N. S. RICHARDSON, BOOK AND JOB PRINTER.
1882.

PROCEEDINGS

—OF THE—

Twenty-Eighth Annual Meeting

—OF THE—

Stockholders of the Atlantic & N. C. Railroad Co.

The 28th Annual Meeting of the Stockholders of the Atlantic & North Carolina Railroad Company, held at Morehead City the last Thursday in June, 1882, was temporarily organized by the election of L. W. Humphrey, Chairman, and J. J. Wolfenden, F. C. Roberts and W. L. Arendell, Secretaries.

The meeting then took a recess on motion of H. F. Grainger, Esq., to 3:30 o'clock, p. m.

The meeting was called to order at 3:30 p. m.

The committee to verify proxies, through their chairman, asked for further time and the meeting again took a recess until 6 o'clock, p. m.

The meeting was called to order at 6 p. m., and the committee to verify proxies submitted the following report:

Whole number of shares of stock represented in person and by proxy, 16,643; of which 12,666 shares belong to the State of North Carolina, and 3,998 shares to corporations and individuals; that 725 shares, 426 votes, were rejected.

The Chair announced that, from the report of the committee, a large majority of the shares of stock of the Company was represented, and the meeting was ready for permanent organization.

Hon. C. R. Thomas moved to recommit the report to the committee, with instructions to report all the facts which caused the committee to reject the 725 shares of stock from representation.

After a protracted discussion, participated in by Messrs. C. R. Thomas, John Gatling, J. B. Batchelor, C. C. Clark,

F. H. Busbee, George Green, L. J. Moore, M. DeW. Stevenson, H. F. Grainger and James A. Bryan.

Judge Thomas moved to lay his motion on the table, with the understanding it could be called up at any time, and it was adopted.

On motion of Mr. Grainger, the temporary officers were elected the permanent officers of the meeting.

The report of Col. John D. Whitford, President, was read, received and ordered to be printed; also the reply of Mr. W. J. Best, President, in answer to resolution of the Board of Directors of the Company, was read and ordered to be printed, and the resolution of said Board in response thereto was also ordered to be printed.

MOREHEAD CITY, JUNE 28, 1882.

TO THE BOARD OF DIRECTORS OF THE ATLANTIC AND NORTH CAROLINA RAILROAD COMPANY:

Gentlemen:

I have the honor to acknowledge the receipt of an attested copy of a resolution offered by Mr. C. C. Clark, at your meeting to-day in reference to certain resolutions passed by your Board at its meeting in Raleigh, the 9th ult. The resolutions last referred to state two causes of complaint against the Midland North Carolina Railway Company in the matter of the lease of the A. & N. C. R. R.

(1) That contrary to an express stipulation in said lease, the Midland Company had mortgaged its interest in your road.

(2) That work upon the link between Goldsboro and Salisbury was not being prosecuted with vigor.

Until recently, the exigencies of business prevented my coming to North Carolina, or the earlier preparation of an answer.

In reply to the first of these complaints, I beg to say, that there was no intention on the part of our Company to mortgage the lease, and I am advised by eminent counsel that we have not done so. The mortgage which was registered in Wayne county last April, had been prepared with a view to raising money from time to time as the interests of the Company might demand, but no bonds have yet been issued, or offered for sale. I trust, therefore, that you will either assent to the mortgage as it stands, or notify me in writing, at your earliest convenience, as to what changes or modifications you desire. It is entirely within our power to meet your views in this respect.

As to the second complaint, I believe that we have reasonably complied with that condition of the lease which required a vigorous prosecution of the work of building the link from Goldsboro to Salisbury. It must be admitted that the line has not been progressed as rapidly as a year ago, I had reason to believe it wonld be, but any delay in this re-

gard is attributable to no lack of interest on my part, or that of my associates. On the contrary, we have been anxious to push the work most vigorously. The difficulties, however, which are inseparable from all great enterprises, and which it is impossible always to foresee and guard against, have in some measure interfered with our plans. It affords me pleasure now to be able to state, that these difficulties are fast disappearing, and that very soon we hope to be in position to resume work on a large scale. It is an easy matter for us to complete the road to Salisbury within the time specified in our contract with your Company. In fact it is likely to be finished much earlier—all that we need is considerate treatment on the part of your Board and the people of this State, to insure the complete success of our undertaking, so far at least as affects the building of the Road. You are aware that the possession of the Western North Carolina Railroad has always been treated by myself and associates as an essential part of our enterprise. A suit for that Road was commenced by us nearly a year ago, and is now pending. The progress of litigation, however, is always slow. Therefore, desiring to save time, and without waiving any legal rights, we have opened friendly negotiations looking to the early possession of that property by the Midland. These negotiations have progressed far enough to justify the belief that they will result favorably. During the past year a large sum has been spent by us in betterments on the A. & N. C. Road. The road-bed superstructure, buildings and equipment have been greatly improved, as you will find by examination, and it will afford me pleasure, at any time, to convey you over the road for the purpose of personal inspection. Relying upon your friendly cooperation in this great work, I have the honor to remain,

Respectfully,

W. J. BEST,
President.

(RESOLUTION OF BOARD OF DIRECTORS OF A. & N. C. R. R. CO.)

Resolved, That the Secretary of this Board notify W. J. Best, President of the Midland N. C. Railway Company, that this Board does not assent to the mortgage executed by the said Midland N. C. Railway Company to the American Loan and Trust Company, of Boston, Massachusetts, and demands that he secure a cancellation of so much of said mortgage as includes the Atlantic & N. C. Railroad, or any interest therein.

The reading of the reports of the Secretary and Treasurer and the Finance Committee was dispensed with and ordered to be printed.

Gov. Jarvis moved that the motion of Judge Thomas to recommit, which had been laid on the table, be taken up, which motion was adopted.

Gov. Jarvis moved as an amendment, that the committee be instructed to ascertain the number of shares claiming representation, by whom owned and the number of

votes such owners would be entitled to according to the scale provided in the charter, if such had been legally transferred upon the books of the Company. The amendment was adopted, and then Gov. Jarvis' motion was adopted.

On motion, the meeting adjourned until 10 o'clock tomorrow morning.

FRIDAY, June 30th.

The meeting was called to order at 10 o'clock.

The committee to verify proxies reported that the rejected stock should have been 575 shares instead of 725 shares reported yesterday; that these 575 shares of stock were held by Mr. W. J. Best for himself and associate stockholders of the Midland Railway and Construction Company, fifty-five in number; that he could not furnish the names of these stockholders; that these 575 shares of stock have not been transferred on the books of the Company to Mr. Best nor to the said stockholders.

After consultation a motion was adopted allowing Mr. Best to cast for himself and fifty-five associate stockholders 261 votes to represent the said 575 shares.

Gov. Jarvis offered the following resolutions, which were adopted:

Resolved, That the committee on proxies to be chosen at this meeting be and they are hereby directed to meet after the stock books are closed for the next annual meeting of the Stockholders of this Company and carefully examine the same some days before the day for the annual meeting, and ascertain as far as it is possible for them to do by such means as they may be able to command, whether any stock stands upon the books in the name of any person who is not the actual and bona fide owner of the same.

Resolved, That they embrace in their report all cases which they may find in which the stock of any person or persons is attempted in any way to be given a representation in the Stockholders meeting, to which it would not be entitled if it was honestly and in good faith represented according to the letter and spirit of the charter of this Company, together with all the facts in such cases.

Resolved, That the committee on proxies be allowed the same per diem at this and all succeeding meetings as is received by the Committee on Finance.

On motion of Mr. R. C. Kehoe, a recess was had until 3 o'clock p. m.

THREE O'CLOCK P. M.

The meeting called to order.

Hon. C. C. Clark moved that Mr. Best be allowed to cast 458 votes instead of 261 votes. He stated that the 575 shares of stock had not been transferred to the present owners; that if it had been and the owners were present in person or by proxy, his opinion was that they would be entitled to 458 votes.

The motion was adopted.

The Chair announced that the election of Directors was now in order.

Mr. F. M. Simmons, State Proxy, announced the following as the Directors on the part of the State: John D. Whitford, Charles C. Clark, Henry F. Grainger, W. T. Caho, J. C. Davis, P. F. Faison, J. K. Parrott and C. S. Wooten.

A motion was adopted to proceed to elect four Directors on part of Stockholders.

Judge Green nominated Eugene Morehead, C. R. Thomas, W. J. Best and W. H. Worth.

Mr. Best declined and asked that the name of John Gatling be substituted.

Mr. Clark nominated Eugene Morehead, James A. Bryan, John Gatling and J. C. Wooten.

The Chair appointed H. F. Grainger, R. C. Kehoe and C. E. Foy tellers to superintend the election.

The tellers announced the following vote:

For Eugene Morehead,	1,617	votes.
" John Gatling,	1,615	"
" James A. Bryan,	996	"
" John C. Wooten,	970	"
" W. H. Worth,	658	"
" C. R. Thomas,	653	"

Whole number of votes cast, 1,645; necessary to a choice, 823 votes.

The Chair declared Messrs. Morehead, Gatling, Bryan and Wooten duly elected.

On motion of John L. Morehead, the committee to verify proxies was discharged.

On motion of R. C. Kehoe, the meeting proceeded to the election of Finance Committee.

The tellers reported 1,995 votes cast, and necessary to a choice 998 votes.

C. E. Foy	received	1,101 votes.
M. DeW. Stevenson	"	1,092 "
J. A. Pridgen	"	1,053 "
J. L. Morehead	"	945 "
J. J. Wolfenden	"	879 "
S. W. Latham	"	879 "

The Chair declared Messrs. Foy, Stevenson and Pridgen duly elected.

The Chairman then appointed Leonidas J. Moore, Geo. Dees and Jesse C. Kennedy committee to verify proxies.

Moved and carried, that Mr. Best, President of Midland Company, be requested to extend the same courtesies over the Road to the committee to verify proxies as to the committee on finance.

Mr. Foy offers the following resolution:

WHEREAS, The Midland N. C. Railway Company, as the lessee company of the Atlantic & North Carolina Railroad has within the past twelve months, at an expenditure of Two Hundred Thousand dollars, built and laid with steel rails twenty-two miles of Railroad, which is practically an extension of the A. & N. C. R. R. to Smithfield in Johnston county, and

WHEREAS, According to the books and vouchers of the Midland Company, it has put upon the A. & N. C. R. R. permanent improvements and betterments to the amount of $40,233.31; and

WHEREAS, The said Midland Company has improved the permanent roadway and station property of the A. & N. C. R. R., added to and greatly improved its motive power and rolling stock, paid the rental as it has fallen due, amply secured the lease money and the rolling stock and perishable property of the said A. & N. C. R. R. Co., by the deposit of $85,000 in bonds in the National Bank of New-Berne; and

WHEREAS, The Midland N. C. Railway Company has operated the line of the A. & N. C. R. R. to the general satisfaction of the business people having traffic over it, and by the multiplication of trains, both freight and passenger, has greatly facilitated business, travel and the delivery of the mails, now therefore

Resolved, By the Stockholders of the A. & N. C. R. R. Co. in annual meeting assembled, that the conduct and management of the Midland Railway Company meets the general approval of the Stockholders of the Company, that it, the said Midland Company, in the construction of the Smithfield extension, and the importation of a large excess of English

steel rails, gives an earnest of the purpose to still further improve our property and to extend the Midland line on towards Salisbury, and it is the sense of this meeting that Mr. Best and his associates of the Midland Company have our confidence, and that it is our duty as it is our pleasure to sustain and encourage them.

On motion, the resolution was laid over for the next meeting.

Gov. Jarvis moved that when this meeting adjourn it adjourn to meet again at Morehead City the last Thursday in September next. Motion adopted.

Moved by Col. Morehead, and carried by the meeting, that the By-Laws be so amended that the Finance Committee meet twice a year.

On motion of Mr. Kehoe, ordered that 500 copies of the proceedings of this meeting be printed.

The thanks of the meeting were voted to the officers of the meeting on motion of Mr. Stevenson.

On motion, the meeting adjourns.

L. W. HUMPHREY, Chairman.

J. J. WOLFENDEN,
F. C. ROBERTS,
W. L. ARENDELL,
} Secretaries.

REPORT.

To the Stockholders of the Atlantic & North Carolina Rail Road:

GENTLEMEN:—

The President and Directors submit for your consideration and approval their twenty-eighth Annual Report, with the report of the Treasurer of the Company. We also submit the report of the experts acting under Section 5th of the lease which we executed to the Midland North Carolina Railway Company on the 1st day of July, 1881, agreeably to your wishes expressed in a resolution adopted on the day of the adjournment of your last annual meeting.

The Treasurer shows the receipts have been for the fiscal year ending May 31st 1882:

From Conductors,	$ 536.20
Agents,	7,149.11
U. S. Mail,	1.326.81
Southern Express Company,	936.00
Rents,	20,116.76
Miscellaneous	1,881.73
	$31,946.61
Balance May 31st 1881,	20,341.56
	$52,288.17
Expenditures, current and otherwise,	51,598.19
Balance,	$ 689.98

And we learn from the report of the Finance Committee that the Treasurer of the Company has kept his accounts with his accustomed accuracy.

Complying with the conditions of the lease, after paying the interest due on the bonded and judgment debt and miscellaneous expenses, we were enabled to pay $6,450 on the principal of the judgment debt.

The Treasurer's statement and that of the Auditing Committee will give you the Receipts and Expenditures in detail. In parting with your Road for thirty years, or perhaps, for all time, there was, at the time, a radical difference of opinion, with different members of the Board of Directors, and undoubtedly all acting from conscientious convictions, None however, disagreed as to the propriety of relinquishing its operations to others if thereby

there were a certainty of having it extended to Salisbury. Those of the Directors who disbelieved in the ability of Mr. W. J. Best and his associates in Boston to obtain the possession of the Western North Carolina Road or to extend the Midland North Carolina Railway to Salisbury without it, voted against it; yet, it is known that all united, as soon as the lease was executed, in giving the lessee a cordial support, and the President of this Company heartily joined in the management of the Road when requested to do so, and as long as allowed to do so. We can state authoritatively, that His Excellency, Gov. Jarvis, deemed the annual rental a mere trifle for your Road compared to the substantial benefits that would accrue to the citizens along its line and those of the entire State, by its extension in any way to the West; hence his support of the lease—otherwise he would have opposed it.

The increase of the business of the Road was not unexpected. We knew the tide of prosperity rising in the country would reach us. We saw all around us business reviving and increasing. Every Railroad in North Carolina was feeling it. All kind of business was invigorated and springing up with new life. We were in the current and must go on and upwards. The freight carried over the Road in 1879 amounted to only 15,225 tons, while in 1881 it ran up to 33,851 tons.

These facts caused us to state to you in June last, "With united effort on the part of the Stockholders and managers of the Road and with the cessation of the agitation for its disposition, under any ordinary management the receipts could be doubled." They should have been doubled, and we suppose have been, as we doubled the tonnage over the year previous to our management. The corn business, we had increased from 7,200 bushels to 241,000 bushels, and we would be highly gratified to find an increase in proportion since we relinquished the management of your Road, as, if permanent, it would certainly insure its extension to Salisbury or its own re-construction with iron bridges, heart ties and steel rails and permanent car sheds and other buildings that we now see taking the place of better structures pulled down. But, we have been told on every hand, and particularly by the press on the line of the Road, which statements were copied in papers elsewhere, that the present management

had to put the Road and Rolling stock in "thorough repair and condition for travel and traffic." The bad condition of the Atlantic & North Carolina Rail Road has been stated so persistently, by designing persons, since Mr. Best and his associates, or, the Midland North Carolina Railway leased it, that many innocent ones gave credit to it, and no doubt, not a few of the Stockholders actually believed it was about nearly to tumble to pieces when we gave it up.

The very energetic, competent and distinguished Engineer of the Midland Railway, Col. J. B. Yates, and the experienced and efficient Master Machinist of the Raleigh & Gaston & Augusta Air Line Railroad, Mr. B. R. Harding, after making a thorough examination of the Road in July 1881, and while under our control, said:

"That though the iron and present equipments will do the local work for the road for, say, five years to come, yet, as the Road is to become the Eastern Division of a through line from Beaufort to Tennessee within the next three years, the fact must not be lost sight of, that the present iron can only be used for sidings, the motive power for construction trains and the remaining rolling stock with the exception of passenger cars, for like purposes."

The Report continues:

"Col. John D. Whitford, present manager of the Road, must be commended. The bridges are safe and are receiving constant and careful attention. The management are alive to the importance of not being over economical where the safety of their patrons is concerned; the accounts and inventories of the different departments were in such business like order that our inspection and appraisement were comparatively an easy task."

"Without specific notice with regard to any department, we report them all as organized on a systematic basis. The discipline of the Road is admirable and we consider it as present managed, one of the safest Roads in the State."

To say we do not feel flattered by such a compliment coming from such a distinguished and disinterested source, especially when we have been abused throughout the year, at least, by implication, by our Editors and other citizens with whom we have been intimate and friendly for a life time, would be affectation. Moreover, it is due to those officers and employees, acting under us, to have these facts recollected and to have the falsehoods constantly circulated, either from ignorance or design,

respecting the dangerous condition of the Road, when operated by us, and the want of business to sustain and improve it, corrected. There has been no material change in its condition and no improvement that was not contemplated by us, and that we would not have had the ability to effect, either in platforms, pile wharves, temporary sheds, repairing Locomotives, or the building of cars, except, perhaps, the costly and magnificent new car of the President, which has recently attracted such marked attention. The two imported passenger cars, the property of the Midland Improvement and Construction Company, pronounced by many of the press of the State as so elegant and costly, are not equal in finish to those we had on the Road before the war, and with the exception of the seats being upholstered with ordinary plush, instead of cane, are precisely similar to the second class cars run now daily on the Raleigh and Gaston Rail Road. The number of new freight cars put on the road we have not the means of knowing. We do know, however, that Mr. Basil Manly, Master Machinist, stated, in his report on the 31st day of last May, one month before we surrendered the management of your Road, about our equipment, which we will presently let you know. Before doing so, and in connection with this subject, we call your attention to the subjoined paragraphs from the Boston *Herald*, Sunday, March 19th, 1882:

"Everything that has been contracted by Mr. Best down there" (meaning on your Road) "is of the strongest and most substantial character, and what is remarkable is that it all has been accomplished since July 1st, 1881. I never have seen so much done with so small an outlay of money. I have had considerable experience in these matters as a practical Railroad man, and I know whereof I speak. The road too, is being worked to its utmost capacity, not a wheel being idle, so thoroughly has it been reconstructed, *the greatest part of the rails having been relaid*, that to-day it is as pleasant to ride over it as on our Boston & Albany, and the same degree of discipline and watchfulness characterizes the employees. The 'special' train on which we rode run just as safely and smoothly, at the rate of 40 to 45 miles an hour as does any train on the Boston & Albany. The equipment of the road has been something phenomenal. Mr. Best has utilized whatever chanced to be on hand, and has thus saved tens of thousands of dollars to the Company. Some of his expedients will cause conservative Railroad men to smile, as for instance the construction of a fine and powerful locomotive from a couple of wrecks lying in the yards, condemned by a former management as useful only for scrap iron. The result is the 'Lewis Coleman,'

one of the best locomotives to-day on the road, and named after the Vice President of the Company. In like manner modernized and comfortable passenger cars have been built on the same principle of economy. Under such able, judicious and comprehensive management the Midland system of railroads in North Carolina, is certain to achieve a success hitherto unknown in the South, and it promises in the near future to become the next trunk line of importance between the East and West and Northwest and Southwest, south of the Baltimore & Ohio."

These extracts from the Boston *Herald* were copied in some of our papers, and even so reputable a journal as the *News and Observer* of Raleigh endorsed them. In the number of that paper of the 28th of March, 1882, at the head of a column or more on the subject, we find the following paragraph:

"The Boston *Herald* of Sunday, the leading New England paper, devotes what would be a full page of the *News and Observer* to Mr. W. J. Best, giving a detailed account of his operations in saving the Pacific Bank, other incidents in his career and among them much relative to the Midland North Carolina Railway."

In addition the Boston *Herald* was distributed throughout the State of North Carolina with a red hand stamped upon it, pointing to this article. Copies by the dozen, if not hundred, were sent out from the Midland North Carolina Railway office in this city, and the entire statement was taken as a fact by many people of worth and honor, North as well as South. Thus we feel compelled for your own interest, as well as our reputation, being entrusted with so much of your property, to notice it; otherwise we might pass it by in silence, notwithstanding the offensive criticism. And we have kept silent so long, during the entire year, we have not heretofore noticed or corrected any of these misrepresentations, trusting thereby, it might redound to your interest. We did not intend or wish to impede the extension of the Midland N. C. Railway. If it could be extended by its enthusiastic supporters, by convincing the public, falsehood was truth, be it so. To be charitable, we presume it must be taken as strategy in war. But we now leave it to you to say if the time has not come to present you with the information we have, and to call your attention to the conflict of statements in Mr. Manly's report and the report of the experts, with those we have shown in the Boston *Herald*, and can almost daily read in our own press. You may be surprised to learn the Lewis Coleman is your locomotive Bluebird of which Mr. Manly reports as follows in May, 1881:

"Engine Bluebird is also in the shops undergoing repairs, such as new boiler and new stack, steel axles and tires now finished. This is one of our largest engines and will be quite equal to a new one when ready to run. It could be put on the Road in comparatively a short time if the freight business should require it."

Of the other equipment Mr. Manly stated:

"Engine John Stanly was put on the Road on June 21st, 1880, with new boiler and a thorough overhauling and is now in good order.

"Engine William Gaston was turned out of the shops March 30th, 1881, in first class order having been thoroughly overhauled.

"Engine Charles Fisher has had a thorough overhauling except its boiler, and is now in first class running order.

"Engine No. 7 has had a partial overhauling and is now in good running order.

"Engine No. 8 is in first class order and is doing good work.

"Engine John D. Whitford is now in the shops undergoing repairs, and will be out in June in excellent order.

The Engines Bragg and Hawks are not in use, both requiring new boilers and new tenders. The running works of both are in good condition."

Of the equipment of cars the same officer reports:

"We have built and put on the Road since last May three flat and four box cars. Have rebuilt, putting under it new trucks and changed to a passenger and baggage car, to run on the freight train an old passenger car that was some years ago badly broken on the Road, and cast aside until this year, when it was taken in shop for rebuilding. We have also thoroughly repaired a first class car and have another in shop rebuilding, which can be put on the Road in July next. This car, for service and durability, it having been entirely stripped inside and outside, and the frame strengthened with additional timber and iron, will be equal to its condition when purchased by the Company.

"We have the lumber for building ten flat and ten gondola cars for coal. The latter can be used as platform cars when desired. There is also on hand now some material for a new first class car, which agreeably to your orders we designed to have built during the coming year, as the opportunity might enable us without increasing our shop employees.

"There are in service in good order, twenty-six box and two shanty cars, twenty-eight flat cars, three first class, two second class and two baggage and mail cars.

"The machinery and tools belonging to the shops are in good order. I consider the rolling stock of the Company at this date in a better condition, and the capacity for moving freight greater than it has been for several years."

The W. J. Best, you may be equally surprised to learn, is your locomotive No. 8, or Gov. Brogden, which Mr. Manly pronounces in first class order and doing good work a year ago. We think the experts placed the high-

est value on this locomotive, yet no such amazing feat as making a new locomotive out of an old one was ever attempted or accomplished before Mr. Best had charge of the Road, so exclaims the Boston *Herald* and its circulators and endorsers in this locality and in our State. We invite your attention particularly to the opinion of such a competent Machinist as Mr. Manly respecting the equipment of your Road when it was given up, and beg you to institute a comparison with the statement of the Boston *Herald* and its subscribers. As to the condition of the Road, the experts state as we managed it, "they considered it one of the safest Roads in the State." Our truck freight trains were run at an unusually high rate of speed successfully, and so also were the passenger trains deducting the stoppages. Yet we could not reach the speed even on a "special" of 40 or 45 miles an hour and "go as safely and smoothly as on the Boston & Albany," as did the writer in the Boston *Herald* over this Road. Neither did we with the Midland Railway Company, and the Midland Improvement and Construction Company, to aid us, succeed in relaying as many rails on it in the year just elapsed, by nearly one hundred miles, as did the Boston *Herald* and its followers. We, after a hard scuffle, obtained a quarter of a mile of rails or more from the U. S. Government which we turned over to the Midland Railway Company, which, with about three quarters of a mile of the steel rails of the Midland Improvement and Construction Company, have been put in the Road. That is all that we could or did do, while the Boston *Herald* reports "so thoroughly has it" (the Atlantic & N. C. R. R.) "been reconstructed, the greater part of the rails having been relaid, that to-day" (that was the 19th of March last) "it is as pleasant to ride over it as on our Boston & Albany." Very well, the writer in the Boston *Herald* may have been misled, but some of those who copied and circulated the falsehood knew better, and we mention these matters now not so much to criticise what has been done or left undone as to put you on your guard in the future. And it is due to you as well as to ourselves here to say that none would go beyond us in receiving gratefully and treating cordially any real capitalist from any section, either North or South, who desired to exchange *their* money for our lands and works of improvement, and let it be too for their aggrandizement and gain

as well as for our own; yet, we trust we shall ever have the honesty and independence to condemn deception and misrepresentation whenever found and from whatsoever source it may come, whether it be from the North or from the South.

Under a section of the lease, by request of Col. J. B. Yates, Chief Engineer and General Manager of the Midland N. C. Railway, we appointed as Agent, our President, on the 7th of March last, to act with any agent the Midland Railway Company might appoint, to sign orders for withdrawing the bonds in sums of $10,000 or more, held in Bank as security for your rolling stock, as new rolling stock might be put on your Road by the Midland N. C. Railway Company. Col. Yates was promptly notified of our action and of the readiness of our Agent to act without delay. No answer having been received, on the 9th of May we rescinded the resolution making the appointment, in consequence of the trust mortgage executed by the Midland N. C. Railway Company to the American Loan and Trust Company of the city of Boston, having been recorded in the Register's office of Wayne county, N. C. We there learned first all the property, franchises, etc., of the Midland Railway Company, held in its own right or as lessee or otherwise, is conveyed or attempted to be conveyed to said Trust Co. This was in express violation of the fourteenth section of the contract of lease, which is as follows:

It is further agreed, that the party of the second part shall not assign or mortgage this lease nor sublet the Railroad without the consent of the Board of Directors of the party of the first part, and the schedule of charges for passengers and freights now in force upon said Railroad shall never be increased by the party of the second part."

After advising with His Excellency, Gov. Jarvis, we adopted the following resolutions on the subject, to which we earnestly call your attention, that you may take such action and give such instructions as you may deem necessary to protect your interest in the future :

WHEREAS, The Atlantic & North Carolina R. R. Co., did on the 1st, day of July 1881, execute to the Midland N. C. Railway Company, a lease of its Railroad property :

AND WHEREAS, The said Midland Company expressly stipulated in said lease not to mortgage, sublet or otherwise assign said lease without the consent of the Board of Directors of the A. & N. C. R. R. Co.,

AND WHEREAS, by a mortgage executed on the 1st day of September 1881, and registered in the County of Wayne, the said Midland Railway

Company did mortgage said lease in violation of said agreement without the consent of this Board:

And Whereas, The said Midland N. C. Railway agreed in said lease to push the work on said Midland N. C. Railway with energy:

And Whereas, The said lessee has failed to prosecute the work,

Now, Therefore, *Resolved 1st*, That this Board at its first Session after the Registration of said Mortgage do enter of record that it has not given its consent to this mortgage so far as it affects any of the rights or property of the Atlantic & North Carolina Rail Road Company, but on the contrary does protest against the same.

2nd, That in the opinion of this Board the work on the Midland North Carolina Railway has not been pushed with energy as required by said lease.

3rd, That while these acts and failures are causes of forfeiture, this Board will not make declaration of forfeiture till it has given the Midland North Carolina Railway Co. a reasonable opportunity to be heard by it at its June meeting.

4th, In postponing action upon this matter till the June meeting of this Board, because this Board desires to do full justice to the lessee, at the same time this Board does not condone the offence, or waive any of its rights; but on the contrary expressly reserves to itself the right to take such action at the June meeting as to this Board may then seem proper and lawful.

5th, That a copy of this preamble and these resolutions be sent to the American Loan & Trust Company of the city of Boston, and to W. J. Best, President, and W. S. Denny, Treasurer, of said Midland North Carolina Railway Co., at Boston, and to J. P. Caddagan, Secretary of said Company at Newbern.

In compliance with an order of the Directors, the President requested the Attorney of the Company, the Honorable C. C. Clark, to visit Boston and furnish the officers named each with a copy of the resolutions, which service was speedily performed. Since, we have heard nothing official concerning this matter, and presume will not until the meeting of the Board of Directors the day preceding the meeting of the Stockholders, 29th of June.

We herewith submit to you a certified copy of the mortgage executed by the Midland North Carolina Railway Company, to the American Loan and Trust Company of the city of Boston.

The Midland N. C. Railway Company will, we believe, have the rails laid to Smithfield by the 1st of July. No preparation so far as we could learn, has been made to extend the Road beyond that place. Five thousand tons of the same have been landed at Morehead City, and with the exception of those laid down on the Midland N. C.

Railway and the few tons on the A. & N. C. R. R., are still there in bond.

No effort has been made to operate the A. & N. C. R. R. for freight below Newbern, during the past year. This in a measure has relieved the rolling stock from running over one-third of the Road, which was very important to the lessee during the Winter and Spring press of business, and seems to have given entire satisfaction to all interested, an unusual occurrence in the operation of any Road, must be admitted.

The experts reported in January, 1882, that the Road and rolling stock were then in as good condition as they were when we surrendered them to the lessee. It is unfortunate that the annual "valuation and inventory" had not been fixed for the first week in June instead of July, as it would have enabled the Board of Directors to furnish the Stockholders with the report of the experts one year in advance of what they can now do, at their annual meeting. If possible the change should be effected. The roadway from excessive use and intermission of ditching and filling up, cannot now be in as good condition as it was six months ago and the rolling stock, from the constant use it has been subjected to, with only generally ordinary repair, and but little increase, must have deteriorated.

The Treasurer of the Company agreeably to a dispatch from the President of the Midland N. C. Railway Company, received on the evening of the 31st of December last, drew a draft on the Treasurer of that Company, W. S. Denny, Esq., Boston, for the semi-annual rental of $20,000, which was paid in that city during the following week.

By order of the Board of Directors,

JOHN D. WHITFORD, *President.*

Report of Finance Committee.

OFFICE OF THE A. & N. C. R. R. Co.,
NEWBERN, N. C., JUNE 26, 1882.

The Committee of Finance submit the following report, as required by the By-Laws of the Company:

They have examined carefully the books, accounts and vouchers of the Treasurer for the fiscal year ending May 31st 1882, and have found them carefully kept, and all disbursements evidenced by approved vouchers.

By reference to the report of the Treasurer, you will perceive that the receipts for the fiscal year were:

From W. J. Best, (Lease Money)	$20,000.00
All other sources	11,946.61
	$ 31,946.61
Balance from last year	20,341.56
Total to be accounted for by Treasurer	52,288.17
Disbursements including all expenses for which he holds approved vouchers	$ 51,598.19
Leaving balance on hand May 31st, 1882,	$ 689.98

Your Committee desire to say that in the discharge of their duties they have been rendered every assistance by the officers of this Company.

Respectfully Submitted,

C. E. FOY,
J. J. WOLFENDEN,
JAMES P. BRYAN,
W. F. HOWLAND.
} Finance Committee.

Atlantic & North Carolina Railroad Company,

TREASURER'S OFFICE,

NEWBERN, N. C., May 31st, 1882.

To the President and Directors of the Atlantic and North Carolina Railroad Company:

GENTLEMEN :—

I have the honor to submit to you herewith the annual statement of the Receipts and Disbursements by the Atlantic and North Carolina Railroad Company, for the fiscal year ending 31st day of May, 1882.

Accompanying this statement is a list of the Stockholders and Officers of the Company.

Very Respectfully,

Your obedient servant,

F. C. ROBERTS,
Sec'y and Treas.

CASH RECEIPTS AND DISBURSEMENTS FROM MAY 31, 1881, TO JUNE 1, 1882.

RECEIPTS.	MONTHS.		DISBURSEM'NTS
6,811 91	JUNE,	1881	9,735 01
3,255 70	JULY,		14,829 12
1,562 13	AUGUST,		2,601 66
5 00	SEPTEMBER,		1,438 26
219 84	OCTOBER,		341 97
18 67	NOVEMBER,		596 70
5 00	DECEMBER,		660 51
20,006 50	JANUARY,	1882	11,890 82
25 50	FEBRUARY,		606 35
15 50	MARCH,		7,164 13
2 50	APRIL,		547 60
18 36	MAY,		1,186 06
$31,946 61			$51,598 19
20,341 56	Balance May 31, '81.	Balance May 31, '82.	689 98
$52,288 17	TOTAL		$52,288 17

Dr. **F. C. Roberts, Treasurer, in Account with the**

	To Balance, May 31st, 1881,.....			$20,341.56
1881—'82.	Cash received during fiscal year, ending May 31st, 1882, as follows:. ...			
	Conductors,.....	$ 536	20	
	Agents,.....	7,149	11	
	U. S. Mail,.....	1,326	81	
	Southern Express Company,.....	936	56	
	Rents,.....	20,116	76	
	Miscellaneous,.....	1,881	73	$31,946 61
	Total,.....			$52,288 17
	To Balance,.....	$ 689	98	

Atlantic & North Carolina Railroad Company, **Cr.**

1881–'82.	By Cash paid,	Taxes, State, County & Municipal,	$ 4,185 52
	" "	on Principal of Judgment in U. S. Court at Raleigh,	6,450 00
	" "	Coupons and Interest,	18,009 00
	" "	Wood and Ties,	2,055 00
	" "	Legal Expenses,	899 05
	" "	Section, Road and Bridge Hands,	1,871 12
	" "	Shop Hands,	2.607 85
	" "	Station Agents and Hands,	1,824 25
	" "	Passenger and Freight Train Hands,	430 00
	" "	Blanks, Printing, &c.,	245 62
	" "	General Officers,	3,436 66
	" "	Directors, Finance Committee and Lease Committee,	1,225 00
	" "	Current Vouchers, (including $1,711 02 debts contracted by prior managements,	8,359 12
	By Balance,		$ 689 98
	Total,		$52,288 17

LIST OF OFFICERS

Of the Atlantic and North Carolina Railroad Company, May 31st, 1882.

	PER ANNUM.
JOHN D. WHITFORD, President,.....	$1800 00
F. C. ROBERTS, Secretary and Treasurer,.....	1200 00
CHARLES C. CLARK, Director appointed by the State,.....	Pay of Directors and Finance Committee $5 per day attending meetings.
HENRY F. GRAINGER, " " " "	
PAUL F. FAISON, " " " "	
COUNCIL S. WOOTEN, " " " "	
JACOB F. PARROTT, " " " "	
WM. T. CAHO, " " " "	
JAMES C. DAVIS, " " " "	
EUGENE MOREHEAD, " elected by the Stockholders	
JOHN C. WOOTEN, " " " "	
JAMES A. BRYAN, " " " "	
C. R. THOMAS, " " " "	
J. L. MOREHEAD, (Chairman) Finance Committee,.....	
J. J. WOLFENDEN, " "	
C. E. FOY, " "	
J. P. BRYAN, " "	
WM. F. HOWLAND, " "	

List of Stockholders of the Atlantic and North Carolina Rail Road Company.
May 31st, 1882.

	S.	V.		S.	V.
Abbott, S. H.	2	1	Blackwell. H. S	1	1
Agostine, J. M	1	1	Blair, F	1	1
Alderson, T. B	1	1	Boatwright, J. A	3	2
Allen, Eliza S	1	1	Bogey, M. C	2	1
" George	4	2	Boney, D. E	1	1
" James	1	1	" G	1	1
" J. W	1	1	" G. J	1	1
" L. M	1	1	" W. J	1	1
" L. M	3	2	Bonitz, J. A	1	1
" Thos. H	1	1	Borden, Edward	3	2
" T. W	1	1	" E. B	1	1
Amyett, Jno. E	6	3	" W. H	1	1
Anderson, P. O	3	2	Bowden, D	1	1
Andrews, A. B	1	1	" H. M	3	2
" G. W	1	1	" J. C	1	1
" H	1	1	" J. N	1	1
Arendell. B	1	1	Branch, E. B	1	1
" M. F	5	2	Bransford, T. H	1	1
" W. L	1	1	Bray, Alice E	1	1
Arrington, B. F	1	1	Brem, Thos. H	5	3
Ash, Julius	1	1	Bren, Wm	1	1
Ashley, W. E	1	1	Brewer, W. T	1	1
Attmore, R. C	1	1	Bridgers, Bettie H	1	1
Avery, Addie M	12	6	" Emily	1	1
" Cora J	12	6	" Jno. L	1	1
" J. Morehead	12	6	" Luther	1	1
" M. Corinna	19	7	" Margaret E	1	1
" W. W	12	6	" P. L	3	2
Bagby, Geo. K	3	2	" R. R	1	1
Bailey, J. R	1	1	" R. R. Jr	1	1
Baker, J. J	2	1	Bridges, O. C	1	1
" L. S	1	1	Brinkley, G. W	1	1
Barber, D. D	1	1	Brinson, W. G	2	1
" John	1	1	Brock, R. M	1	1
Barham, Sandy	1	1	Brooks, C. H	1	1
Barron, B. B	1	1	Brown, Joe Sam	1	1
" J. T	1	1	" James W	1	1
Batchelor, J. B	1	1	" Zach	1	1
" L. W	1	1	Browning, E. D	1	1
Bates, Isaac	1	1	Bryan, Charles S	1	1
Beasley, L. W	1	1	" G. W	1	1
Bell, Amariah	1	1	" Henry	1	1
" C. C	1	1	" Henry R	3	2
" Hiram R	1	1	" James A	5	3
" Margaret E	1	1	" James P	1	1
" Ralph	1	1	" Mary S	1	1
" Stancil C	1	1	" Moses T	5	3
" W. S. Jr	1	1	" Washington	5	3
Belote, V. T	1	1	Bryce, J. Y	5	3
Berry, E. T	1	1	Buckman, C. C	1	1
" Mary F	1	1	" Ed. S	1	1
Best, Margaret	25	8	" Henry	1	1
" W. J	62	12	" S. M	1	1
Betts, S	1	1	Budden, Thos	1	1
" W	1	1	Buddine, J. A	2	1
Biddle, H. H	2	1	Bunch, D. T	1	1
Bishop, George	1	1	" W. R	1	1
" Samuel	3	2	Burress, E. E	5	3
Bizzell, M. E	1	1	Burwell, W. R	5	3
Black, W. J	5	3	Busbee, F. H	1	1

List of Stockholders of the Atlantic and North Carolina Rail Road Company.
May 31st, 1882.

	S.	V.
Bush, Levi	1	1
Bushall, W. J	1	1
Butler, Jos	1	1
Butterfield, Asa	1	1
" Leroy	1	1
Bynum, Benj	1	1
Caddagan, J. P	5	3
Caho, W. T	5	3
Carey, George L	1	1
Carleton, E. A	1	1
Carmer, Annie E	1	1
" James W	12	6
Carpenter, S. M	1	1
Carroll, Sarah M	1	1
Carrow, S. J	1	1
Carson, J. H	5	3
Cattingham, H. M	1	1
Cavanagh, F. P	5	3
Chadwick, W. W	1	1
Chapin, Wm. H	1	1
Chaplain, Matt	1	1
Charleton, George W	1	1
Christian, W. E	10	5
Clannon, George	1	1
Clark, C. C	5	3
" H. J. B	1	1
" H. P	3	2
" W. W	1	1
Clarke, W. J	1	1
Clowe, C. R	1	1
Cobb, Fred H	2	1
" Richard G	3	2
" W. H	1	1
" W. H. H	1	1
Cochrane, R. E	5	3
Cogdell, Daniel	1	1
Cohen, W. H	1	1
Coleman, Lewis	5	3
Coley, C. C. H	1	1
Collier, Emma F	10	5
" Geo K	2	1
" Geo W	1	1
" James K	3	2
" John	1	1
" John C	1	1
" Mary	3	2
" Samuel P	1	1
" " " Jr	3	2
" Susan	1	1
" Wm O	1	1
Collins, John	1	1
Congleton, A. A	1	1
Conroy, Eustace	1	1
Cook, Emma L	1	1
" Florence M	1	1
" John H	5	3
" Wm H	3	2
Cooper, George	1	1
Cordes, G. M	1	1
Cox, Albert G	1	1
Cox, Eliza H	1	1
" James G	1	1
" James W	3	2
" Mary Ann	1	1
Crabtree, John H	1	1
Crockett, G. P	1	1
Culpepper, Marcus	1	1
Cuninggim, Wm	1	1
Cuningham, J	1	1
Cuthrell, Amos	1	1
Cutler, L. H	1	1
Cutts, W. H	1	1
Cuyler, Emily C	80	14
Dail, G. F. M	5	3
Daley, J. S	3	2
Darling, Joseph	1	1
Daugherty, W. W	1	1
Daves, Graham	1	1
Davis, Abel	1	1
" Alex C	1	1
" Anthony	5	3
" Benjamin	1	1
" Benjamin P	1	1
" Bryan A	1	1
" Eliza C	1	1
" Fred'k	5	3
" James C	1	1
" John	1	1
" J. Henry	1	1
" John D	1	1
" Lewis M	1	1
" Melvin J	1	1
" Richard	1	1
" R. H	1	1
" Theodore	1	1
" T. C	1	1
" W. L	1	1
" W. R	1	1
Dean, Eliza	5	3
" W. H	1	1
Delamar, C. F	1	1
" Stephen	1	1
Denny, W. L	5	3
Dent, Wm	1	1
DeRossett, W. L	1	1
Dewey, E. B	1	1
Dickerson, A. T	1	1
" C. L	1	1
" Cicero T	1	1
" F. K	1	1
" John B	1	1
" Josephus	1	1
" Norris M	1	1
Dickinson, M. C	1	1
Dill, J. R	1	1
" W. F	1	1
Dilliard, J. H	5	3
Divine, A. E	1	1
" Estella	3	2
" John F	15	6

List of Stockholders of the Atlantic and North Carolina Rail Road Company.
May 31st, 1882.

	S.	V.
Divine, J. S.	3	2
" Mary E	3	2
" M. W.	1	1
" Sallie A.	3	2
" W. C	1	1
Dixon, George	3	2
" S. G'd'n.	2	1
Dortch, H. P.	1	1
" Isaac F	1	1
" Wm T.	3	2
Dowd, C	5	3
Dudley, Cicero	1	1
Duffy, F. S.	1	1
" S. S	1	1
" Walter	1	1
Duke, J. A.	1	1
Duncan, Cicero.	1	1
" Edward C.	1	1
" Graham W.	1	1
" J. A	5	3
" J. H	1	1
" Thomas	5	3
" Thomas, Jr	1	1
" T. L	1	1
" Wm. B.	5	3
" Wm. E.	1	1
Dunn, John.	1	1
" Walter, Jr.	5	3
" Wm	1	1
Earle, A. W.	1	1
Edwards, A. W	1	1
" Charles	1	1
Ellington, Niel	5	3
Ellison, L. S.	1	1
Emerson, H. M.	3	2
" Lillie S	1	1
" T. M.	1	1
" T. M., G'd'n.	1	1
Empie, B. G.	1	1
Evans, R. H.	1	1
" Smith M.	39	10
Ezzell, D. J	1	1
Fairbairn, Thomas.	2	1
Faircloth, Eveline.	1	1
" James B	1	1
" W. T	5	3
Faison, P. F.	5	3
Farwell, O. P.	1	1
Farmer, W. D.	1	1
" W. E.	1	1
Falkner, W. H	1	1
Fenderson, John.	1	1
Ferris, L. Murray, Jr	3	2
" M. A. T.	1	1
" M. S.	1	1
" Rob't M.	3	2
" W. L. Jr.	1	1
Field, B. J	5	3
" D. E	5	3
Fields, Wm	3	2
Fife, W. W	5	3
Finley, Charles B	1	1
" Clement	1	1
Fitzgerald, W. H.	1	1
Flanner, John D	50	11
Foard, Mrs. E. W	16	7
Fodray, E. S	1	1
" Fulford	1	1
" Thos W.	1	1
" Wm J	1	1
Ford, C. R	1	1
Foreman, Alex Jr	1	1
Fort, W. B.	1	1
Forlaw, Thos S.	1	1
Foster, Alfred G.	5	3
Fountain, S. K.	1	1
" W. E	1	1
Foust, J. H	5	3
Fowler, W. W.	1	1
Foy, C. E	2	1
" Wm	5	3
Frankenfield, H. G	1	1
Franklin, E. M.	1	1
" J. R	1	1
" Samuel	1	1
Freeman, R. M.	1	1
Fulcher, A. J	1	1
" H. Wise	1	1
Fulford, Elijah	1	1
" Joseph	1	1
" Stephen F.	5	3
" W. B	1	1
Fulghum, R. T	1	1
Galloway, A. J.	1	1
" Isabell	1	1
" Kate	1	1
" Lila	1	1
" L. J.	1	1
" Thomas B	1	1
Garner, Alex.	1	1
" Dexter G	1	1
" Diadama	1	1
" Samuel M.	1	1
Garrett, W. B.	1	1
Garris, G. C.	1	1
Gaskins, Arthur.	1	1
Gates, B. M	1	1
" Mrs. C. J.	1	1
" Ida	1	1
" Laura E.	1	1
" Thomas	1	1
Gatling, John	31	9
Gayle, L	1	1
Gibble, J. L.	1	1
Gibbs, Henry	1	1
Gibson, P. H.	3	2
" Rufus	5	3
Giddens, L. D.	2	1
Gilbert, A.	3	2
Gilchrist, A. E	1	1

List of Stockholders of the Atlantic and North Carolina Rail Road Company.
May 31st, 1882.

	S.	V.		S.	V.
Gilchrist, E. B.	1	1	Henry Addie	1	1
Gill, Geo.	1	1	" Culbert	1	1
Gilmer, Eli	5	3	" David	1	1
" John A.	5	3	" Emma J.	1	1
Glenn, A. E	1	1	" Piero	1	1
" R. H	5	3	" T. A	1	1
Godley, N. H.	1	1	Herritage, J. L.	1	1
Gooding, T. T	2	1	Hessenger, J	1	1
Goodwyn, M. T	1	1	Hewitt, T. D.	1	1
Gordon, J. W	1	1	Hicks, L. J.	1	1
Gorrell, Albert	5	3	Hill, Isaac S.	1	1
Grainger, Henry	1	1	" J. H	3	2
" H. F.	5	3	" Laura A.	1	1
" J. W.	1	1	" Nancy	1	1
Grantham, D. A.	1	1	" Thomas	1	1
Gray, Julius A	9	5	Hilton, Daniel	1	1
Green, George	5	3	Hightower, E. T	1	1
" Geo. Jr.	5	3	Hines, W. R	1	1
" John C.	1	1	Hodges, E. S.	1	1
" J. Newton	1	1	" J. R.	1	1
" W. A.	1	1	Hogan, Wm G	5	3
Gregg, R. Y.	3	2	Holland, J. R	1	1
Grimsley, W. P.	5	3	Hollister, Wm	1	1
Grissom, L. T.	1	1	" & Hughes, Ex'rs	1	1
Guerrant, C. W	5	3	Hollowell, J. M.	1	1
" Fletcher	5	3	Holman, S. W.	1	1
" Jno. C.	5	3	" W. C	1	1
Guess, W. W.	1	1	Holt, John	1	1
Guion, J. A	6	3	" J. S.	1	1
Gulley, L. D	1	1	Holton, A. H.	1	1
Guthrie, Elijah F.	1	1	Hood, E. G	1	1
" John D	1	1	" J. C., Jr	1	1
Hahn, A. & M.	3	2	Hooks, B. F.	1	1
Hall, A. E.	2	1	Hopper, A. T.	5	3
" W. G.	1	1	" R. M	5	3
" W. R	1	1	Horne, A	1	1
Hamlin, C	5	3	Horton, H	1	1
Hancock, C. K.	1	1	" W. P.	1	1
" John W	1	1	" W. T.	1	1
Hanff, Jno. F	1	1	Howard, Geo.	6	3
Hanks, E	1	1	" G. W.	1	1
" J. B.	1	1	" J. J.	2	1
Hannewacker, R. A	1	1	Howell, F. P.	1	1
Hardin, H. C.	1	1	" Lewis	1	1
Harlow, W. S.	1	1	" R. P.	1	1
Harper, C. H.	6	3	Howland, James E	1	1
Harrison, James C.	1	1	" W. F	1	1
Hart, C. A	1	1	Howle, Sallie	1	1
" Horace	1	1	Howlett, Geo	5	3
Harvey, C. F.	1	1	Hubbard, A. G.	1	1
" L.	2	1	Hubbs, E	1	1
Hatsell, Geo. A.	1	1	" O	5	3
Hatton, W. L	1	1	Hudgins, D. S.	1	1
Hawks, F. L	2	1	Hughes, Annie M	5	3
Hawkins, C. M.	1	1	" Bettie W.	3	2
Hay, Robert C	1	1	" Edward S.	5	3
" Robert S.	1	1	" F. W	5	3
" Wm	1	1	" Isaac W.	47	10
Heartt, Leo D.	5	3	" " " Jr.	3	2
Hendrick W. H	1	1	" J. B.	23	8

List of Stockholders of the Atlantic and North Carolina Rail Road Company.
May 31st, 1882.

	S.	V.
Hughes, J. B., Jr	3	2
" Jennie D	5	3
" John	68	12
" Mabel	3	2
" N. Collin	3	2
Hull, Allen	1	1
Humphrey, D. A	1	1
" H	1	1
" L. W	2	1
Hunter, C	1	1
" N	1	3
" W. W. N	2	1
Hurtt, D. W	1	1
Hutchinson, Charles G	1	1
" Henry H	1	1
" John	2	1
" John, Jr	1	1
" Maria S	1	1
" W. B	1	1
Hyatt, John	1	1
Hyman, T. B	1	1
Ireland, David	1	1
Ives, Geo. N	1	1
Jackson, Jesse	2	1
" John	3	2
James, John C	1	1
" T. C	1	1
Jarrett, R. B	1	1
Jarvis, F. J	1	1
" T. J	1	1
Jelly, Alex	1	1
Jenkins, Geo. C	1	1
" " Trustee	1	1
" Eliza L	1	1
" Ellen M	1	1
" Thomas C	1	1
" Louisa	1	1
" Jos. W., Jr	1	1
" Michael	1	1
Jerkins, George	1	1
Johnson, Alex	5	3
" Haywood	1	1
" H. C	1	1
" Lizzie J	40	10
" R. D	5	3
" R. M	1	1
" W. H	1	1
" W. H	1	1
Jones, Benners	1	1
" B. L	1	1
" Culbert	1	1
" D. M	1	1
" E. A	1	1
" F. W	3	2
" George	1	1
" George T	1	1
" Harry	1	1
" John	1	1
" J. B	5	3
" Richard	1	1
Jones, R. E	1	1
" T. W	1	1
Jordan, J. V	1	1
" Wm	1	1
Joyce, Geo. C	1	1
Joyner, John	3	2
Judge, John	3	2
Justice, D. J	1	1
" John G	1	1
Kearns, C. R	1	1
Keefer, Samuel	5	2
Keeler, Thomas P	1	1
Kehoe, C. M	1	1
" E. F	1	1
" M. J	1	1
" R. C	6	3
" R. H	3	2
" T. B	1	1
Kelgare, A. W	1	1
Kelly, R. E	1	1
Kemp, P. A	5	3
Kennedy, A. T	1	1
" Bright	2	1
" C. E	1	1
" J. C	3	2
" W. L	1	1
Kilburn, D. N	1	1
" John M	1	1
King, D. M	1	1
" R. W	10	5
" W. W	1	1
Kingsley, T. A	1	1
Kirkland, A. M	4	2
" T. F	1	1
" W. D	1	1
Kirby, G. L	2	1
Kline, T. D	1	1
Klueppelberg, C	1	1
Knight, James	3	2
Koonce, W	1	1
Lacy, B. R	1	1
Lane, B. B	1	1
" J. S	5	3
Langdale, J. N	1	1
Larkins, Wm	3	2
Lassiter, Jesse	5	3
Latham, C. H	1	1
" John W	1	1
" Julia A	1	1
" S. W	1	1
" T. J	1	1
Lawrence, Geo. W	5	3
Lee, C. C	1	1
" Henry	1	1
" J. D	2	1
Leete, Charles E	1	1
LeGrande, S	1	1
Lehman A	1	1
" R. F	5	3
Lemosey, Boyer	1	1

List of Stockholders of the Atlantic and North Carolina Rail Road Company.
May 31st, 1882.

	S.	V.		S.	V.
Lenehan, B. G.	1	1	McCullen, Bryan	1	1
" J. M.	1	1	McDonnell, G. W.	1	1
" L.	1	1	McDougall, James	1	1
" P.	1	1	McDowell, W. F	1	1
" S. E	1	1	McFarland, W. H	1	1
" W. A.	1	1	McKethan, A. A.	8	4
Lewelling, C. H.	1	1	McLean, Arch	5	3
Lewis, Abigail B	1	1	McLilly, Roland	1	1
" A. J.	1	1	McMullen, J. C.	1	1
" Julius	1	1	McRae, D. G	2	1
" Sam M	1	1	Meadows, E. H.	1	1
" W. C.	1	1	" J. A	1	1
Lindsay, Jed H.	5	3	" S. L	1	1
" Jesse H	5	3	Menninger, F. J.	1	1
" R. G.	5	3	" H. V.	1	1
" T. W	1	1	" Henry J	3	2
Lodge, Euphemia	70	13	Mercer, Jesse	1	1
" Wm. A.	1	1	" J. R.	1	1
Loftin, Elijah P.	1	1	Merrill, Joseph	1	1
" Joel	1	1	" Thomas	1	1
" Josephine E	1	1	Metts, Sarah E	1	1
" S. H.	5	3	" Wm. P	1	1
" W. F.	1	1	Miller, Alex.	1	1
Long, Wm. S	4	2	" " Jr.	1	1
Longest, Benaijah	1	1	" A. R	1	1
" E. J.	1	1	" Eliza	1	1
" E. W	1	1	" J. F.	1	1
" Jennings	1	1	" J. W.	1	1
Loops, F. C	1	1	" Lucy Jane	2	1
Love, E. M.	1	1	" Martha	1	1
Lowenberg, Cha's	1	1	" R. M	5	3
Lynch. A. B	1	1	" Theo. F	1	1
" G. G., Sr	2	1	" Tillie H	1	1
" " Jr.	1	1	Mills, Geo. B.	1	1
Macy, H	1	1	" J. C	5	3
" R. H.	1	1	Missillier, J. L. H	1	1
Mack, Ellen V.	1	1	Mitchell, H	1	1
" Thomas Q	1	1	" S. E	1	1
Mallett, E.	5	3	" " G'd'n.	1	1
Mallison, T. H.	16	7	Montgomery & Dowd	3	2
Manix, John S	1	1	Moore, Allen	1	1
Mann, Cicero.	1	1	" B. R.	1	1
Manning, A	1	1	" David	1	1
Manney, J. L.	1	1	" J. H.	2	1
Manson, W. C.	1	1	" J. R.	1	1
Manwell, Georgiana	1	1	" Lancaster J.	1	1
" James	1	1	" Lon J	2	1
Marshall, Tho's.	1	1	" Mack.	1	1
Martin, J. B.	1	1	" R	1	1
Mason, M. W.	1	1	" R. W.	1	1
Matthews, J.	1	1	" Sophia B	7	4
" J. T	1	1	" Thomas	1	1
McCain, D. W.	1	1	" W. H.	1	1
McCarty, James	5	3	Morehead, Eugene	9	5
McCauley, A.	5	3	" John L	9	5
" Donald	1	1	" J. M	5	3
McCluskey. L. L.	1	1	" J. Turner	9	5
McCoy, Fred	2	1	" " Jr.	5	3
" Jesse	1	1	" L. B.	5	3
" Wm. S	1	1	" Rob't L.	5	3

List of Stockholders of the Atlantic and North Carolina Rail Road Company.
May 31st, 1882.

	S.	V.
Morpin, Jas. F	1	1
Mount, C. H	3	2
Morrissey, D. J	1	1
Moye, Macon	1	1
Mullin, J. W	1	1
Murdock, Alex	1	1
" Hugh	1	1
" Margaret	1	1
" Wm. A	3	2
Murphy, Frank	1	1
Murray D. T	1	1
" T. H	1	1
Murrell, B. F	1	1
Nason, Adelbert M	1	1
" Geo. W., Jr	6	3
Near, A	1	1
Nelson, Joseph	5	3
Newberry, George	1	1
Nicol, Alex	5	3
Noble, A. M	1	1
Noe, Benjamin	1	1
" Isaac	1	1
" Jno. B	1	1
" Jno. W	1	1
" T. D	1	1
Norris, John C	1	1
Nottingham, J	1	1
Nunn, B. F	2	1
" J. E	1	1
Oaksmith, A	5	3
Oettinger Bros	1	1
Ogburn, Chas. W	5	3
Oglesby, Abigail	1	1
" Ann C	1	1
" A. E	1	1
" D. B	1	1
" Isaac M	1	1
" Levi T	7	4
Oliver, Elizabeth G	1	1
" G. A	1	1
" M. T	1	1
" W. B	1	1
" W. H	1	1
Osgood, James	1	1
Ostranda, Jacob	1	1
Outlaw, B. K	5	3
Owen, H. O	1	1
Pace, J. M	1	1
Palmer, A. B	1	1
" John S	1	1
" L. M	1	1
" Marietta S	1	1
" O. (J. T. Lane, Ex.)	2	1
" S. L	3	2
" William L	1	1
Parker, David	1	1
" T. B	1	1
Parkham, S. H	1	1
Parkins, Thos. E	1	1
Parrish, W. T	1	1
Parrott, Jacob F	5	3
" John A	1	1
" J. M	5	3
Parsley, O. G., Jr	1	1
Parsons, John M	1	1
Patross, J. M	1	1
Patterson, C. E	1	1
" Carrie F	16	7
" Isaac	20	7
" J. Lindsay	16	7
" Lettice W	16	7
" Lewis M	16	7
" Moses	1	1
" R. L., G'd'n	15	6
Pearsall, L. G	1	1
Peebles, H. A., Ex'x	1	1
Pelletier, John	5	3
Pemberton, E. L	8	4
" J. A	2	1
Perry, B. L	5	3
" " Adm'r	1	1
" F. L	1	1
" James M	1	1
" John M	1	1
Peterson, I. E	2	1
Phelps, M. C	1	1
Phillips & Battle	4	2
" J. S	5	3
" W. A	1	1
Phipher, R. S	5	3
" W. W	5	3
Piggott, E. J	1	1
" H. M	1	1
Pittman, W. C	1	1
Pitts, Laura L	1	1
Pleasants, T	1	1
Pollock, Kate	1	1
Pool, H. C	1	1
Pope, A	4	2
" " Trustee	1	1
" Paul W	1	1
Porter, D. W	2	1
" John	1	1
" W. C	5	3
Post, Edward	1	1
" J. F	1	1
" S. L. M	1	1
" Thomas R	1	1
Potts, Junius	1	1
" S. C	1	1
Powell, C. F	1	1
" D. A	1	1
" John H	1	1
Powers, Thomas	2	1
Pratt, David	1	1
" Laban	5	3
Price, J. W	1	1
Primrose, Ann	1	1
" C. S	1	1
" Rob't S	1	1

List of Stockholders of the Atlantic and North Carolina Rail Road Company.
May 31st, 1882.

	S.	V.		S.	V.
Pritchett, W. T	1	1	Sherwood, George	1	1
Proctor, J. C	1	1	" J. M	1	1
Provost, F. A	1	1	" T. W	1	1
Pyxford, J. E	1	1	Shew, Harriet	1	1
Ramsey, David J	1	1	Shober, Charles E	5	3
" Isaac	7	4	Short, H. B	1	1
" Isaac E	1	1	" " Jr	1	1
" John	1	1	Simpkins, Redding	1	1
Randolph, W. F	1	1	Singleton, W. G	1	1
Reamer, W. S	2	1	Skarron, L. A	1	1
Reid, A. L	1	1	Sloan, Thomas J	5	3
Reynolds, P	5	3	" R. M., Jr	5	3
Rhodes, John C	10	5	" W. H	1	1
Rice, Richard	1	1	Slocumb, J. C	1	1
Richardson, Eleanor S	2	1	" Tmomas W	1	1
" H. V	1	1	Slover, Charles	1	1
" John A	11	5	Smith, Colin M	3	2
" J. T	1	1	" G. R	1	1
" M. C. B	1	1	" John G	1	1
" N. S	1	1	" Joseph D	1	1
" W. P	1	1	" John R	7	4
Riddle, J. S	1	1	" Madison	5	3
Rivenbaek, J. E	1	1	" O. V	3	2
Rixford, George C	1	1	" S. P	5	3
Roberts, D. W	1	1	" W. H	1	1
" F. C	1	1	" W. H	1	1
" G. H., Tr	5	3	" W. L	1	1
Robinson, G. J	2	1	" " Jr	3	2
" J. J	1	1	Snyder, Isaac	1	1
Rogerson, W. H	1	1	Sparrow, David	1	1
Ross, J. J. L	1	1	Spicer, J. D	1	1
Rountree, Julia J	1	1	Sprague, D. J	5	3
" W. F	1	1	Springle, Wm. P	1	1
Rouse, John	2	1	Stanly, E. R	117	17
" Noah	2	1	" H. T	28	9
Rumley, Denard	1	1	" J. H	27	9
" John	1	1	" N. B	1	1
Russell, Catharine	1	1	" S. F	1	1
" D. W	1	1	Stanton, D	1	1
" George A	1	1	" Jonathan	1	1
" John B	1	1	Staples, J. N	5	3
" R. A	2	1	Steadman, J. H	1	1
" Wm	1	1	Stearns, R. H	5	3
Rutland, Walter	1	1	Stedman, C. M	1	1
Sabiston, John T	1	1	Stenhouse, J. E	5	3
" Nathan	4	2	Stevenson, M. DeW	4	2
" Parmelia	1	1	Stewart, Chas	1	1
Sammis, J. S	3	2	Stimson, Daniel	10	5
Saunders, E. W	1	1	" Sarah	2	1
Scales, Annie H	12	6	Stone, J. L	1	1
" E. F	5	3	Straughan, T. B	1	1
" J. C	1	1	Street, Kate	2	1
" J. J	5	3	" Mary H	1	1
" J. T	5	3	" Mary J	1	1
Schenck, N. W	1	1	" N. H., Jr	3	2
Scott, C	1	1	Stricklin, J	1	1
" J. F	5	3	Styron, W. S	1	1
Sessoms, S. B	1	1	Sutton, Wm	4	2
Sewell, J. W	1	1	Suydam, E. R	10	5
Sherard, J. V	1	1	" J. A., Sr	1	1

List of Stockholders of the Atlantic and North Carolina Rail Road Company.
May 31st, 1882.

	S.	V.
Swindell, F. D	1	1
" W. H	1	1
Tabb, V. C	1	1
Tait, J. B	1	1
Taylor, Wm. J	1	1
" W. T	1	1
Tenhet, J. R. M	1	1
Terbell, H. S	5	3
Terrell, T. B	1	1
Thackard, D. P	1	1
Thomas C. R	5	3
" E	1	1
" F. D	1	1
" L. W	1	1
" W. G	1	1
Thompson, E. A	2	1
" J. W	1	1
" Mrs. Lucy	1	1
" O. G	1	1
" Mrs. V. L	1	1
Thorpe, E. J	2	1
Tingle, Wm. P	1	1
Tolson, Finetta	1	1
Tomlinson, S. Finlay	1	1
Tompkins, H. O	1	1
Toon, T. F	1	1
Troxler, D. H	1	1
Tucker, W. H., & R. S	91	15
" W. T	1	1
Turner, Stephen	1	1
Tull, John	5	3
" J. G	10	5
Underhill, Chas. F	1	1
Underwood, J. E	1	1
Utley, J. C	1	1
Vaughan, H	1	1
Vermillion, G. S	1	1
Wadsworth W. B	5	3
Wagner J. R	1	1
Walker, A. R	5	3
" Grizella J	1	1
" J. M	16	7
" Jno. M	1	1
" J. W	1	1
" L. H	31	9
" R. M	1	1
" T. J	1	1
" W. R	16	7
" Farrar & Co	1	1
Walton, Wm	1	1
Ward, James	1	1
" John	1	1
" John	1	1
" Nero	1	1
Washington & Burdick	13	6
" Geo	5	3
" H. B	2	1
" J. A	1	1
Washton, J	3	2
Waters, H., Sr	1	1
Waters, W. R	1	1
Watson, A. A	3	2
" E	1	1
" G. L	1	1
" J. R	1	1
" L. T	1	1
" Wm. M	1	1
Weathers, C. M	1	1
" K. W	1	1
Webb, Silas	1	1
Weeks, Geo	1	1
" John	1	1
Weir, John	5	3
Wesley, John	1	1
West, Annie A	1	1
" G. W	2	1
" H. G	1	1
" J	1	1
" Julius	1	1
" Katie T	1	1
" S. B	9	5
" W. G	8	4
Wetherington, E. D	1	1
" O. H. P	1	1
" Sol	1	1
Wewe, Jacob	1	1
Whaley. Mrs. Jon	1	1
White, E. W	1	1
" J. H	1	1
" J. R	1	1
" James T	1	1
" S. J	5	3
Whitehead, John	1	1
Whitehurst, James E	1	1
" Joseph B	1	1
" N. E	1	1
" Wallace H	1	1
Whitfield, J. E	2	1
Whitford, Albert	1	1
" Bessie	3	2
" Clark	3	2
" John D	12	6
" " " Jr	1	1
" Johnes	3	2
" John N	1	1
" Mary J	3	2
" Reid	3	2
" Wm	3	2
" W. C	1	1
Wilcox, J. H	1	1
Wilkinson, Lizzie N	1	1
Willard, W. H	1	1
Williams, A	1	1
" Amos	1	1
" C. C	1	1
" James M	6	3
" John D	5	3
" M. P	1	1
Willis, David	1	1
" " S	4	2

List of Stockholders of the Atlantic and North Carolina Rail Road Company.
May 31st, 1882.

	S.	V.
Willis, Elijah Jr.	1	1
" Henry	5	3
" J. K.	1	1
" Samuel	1	1
Wills, M. F.	1	1
" R. H.	1	1
Wilson, Geo. E.	5	3
" J. H.	5	3
" J. J.	1	1
" J. V.	1	1
" J. W.	1	1
" T. G.	3	2
" W. S.	2	1
Wilton, H. S.	1	1
Windom, R. R.	1	1
Winton, H. L.	1	1
Wolfenden, Caroline	1	1
" J. J.	2	1
Wood, L. S.	1	1
" M.	1	1
Woodruff, A. E.	20	7
" M. O.	28	9
Woolard, Eliza	1	1
" John	3	2
" Katie	1	1
Wooten, Council	50	11
" " S.	3	2
" " " Adm'r	2	1
" Eliza J.	1	1
" E. N.	1	1
" J. A.	1	1
Wooten, J. C. Sr	5	3
" J. F.	2	1
" J. M.	1	1
" Jno. P.	3	2
" M. H.	1	1
" Mary L.	1	1
" R. L.	2	1
" R. L. Jr.	1	1
" R. W.	1	1
" S. J.	5	3
" W. S.	1	1
Wormell, E. S.	1	1
" Laura	1	1
Worth, Jonathan	5	3
" W. H	5	3
Wright, John	1	1
Yates, C. G	5	3
" W. J	5	3
Yelverton, W. T	1	1
Young, C. W.	1	1
" J. A.	5	3
Zinkand, Chas.	1	1
Individual Shares,	3251	
State of North Carolina.	12666	350
County of Lenoir,	500	56
" " Craven,	1293	135
" " Pamlico,	207	26
Carolina City Co	47	10
Total number of shares.	17964	

REPORT

OF THE APPRAISEMENT, VALUATION AND CONDITION OF THE ATLANTIC AND NORTH CAROLINA RAILROAD, IN PURSUANCE WITH SEC. 5 OF LEASE TO W. J. BEST, ESQ., MADE BY B. R. HARDING AND J. B. YATES, APPRAISERS :

MOREHEAD CITY, July, 1881.

To William J. Best, President Midland Improvement Company and J. D. Whitford, ex-President A. & N. C. Rail Road.

GENTLEMEN :

We, the undersigned, having been chosen to appraise, value and report on the condition of the "Atlantic and North Carolina Railway", in pursuance of Section 5 of the lease to and from you, beg leave to report the following:

First—We found the total value of the general property and supplies as per Appendix "A" to be $6,460.78.

Second—We report the value of the Machine, Blacksmith Shop and Foundry, together with the Stationary Engine and all appurtenances to be as per Schedule "B" $12,000.

Third—The total value of the Locomotive Engines we report to be $30,700, as per Schedule "C".

Fourth—We report the value of passenger cars of all classes, box cars, flat cars, shanty cars, hand cars or crank cars, and dump cars, as per Schedule "D", to be $20.220.

Fifth—We report the iron rails as being worth $21 per ton, as per Appendix "E" ; the total tons in main track, siding and scrap heap, being 8.500 tons, equal to $178,500.

Sixth—As per Appendix "F" of station houses, freight warehouses, water tanks and pumps, we estimate the value thereof at $17.090, which is not included in recapitulation.

We also report that these warehouses though in fair condition for the present traffic of the road, will need from time to time ordinary repairs, especially the engine house at New-Berne, which needs almost immediate repairs to protect the walls. The cost of this will be about $1200 to $1500.

Seventh—The bridges are all in a safe condition, requiring only ordinary repairs, except the draw at Trent River, which will have to be rebuilt this season, at a cost of

$1800. Also the new center now being put in under the draw at Neuse River. See Appendix "G" of cost of bridges, which is not included in recapitulation, it being merely an appraisment in a case of loss by fire or otherwise, which could be replaced for these amounts.

In submitting our report, we beg leave to call attention to extracts from Col. J. D. Whitford's President's report with regard to the condition of the road for the year ending May, 1881. See Appendix "H".

We also state, that though the iron and present equipment will do the local work for the road, for say five years to come, yet as the road is to become the eastern division of a through line from Beaufort to Tennessee, within the next three years, the fact must not be lost sight of that the present iron can only be used for sidings. The motive power for construction trains and the remaining rolling stock, with the exception of passenger cars, for like purposes.

The present passenger cars, with the exception of one, (No. 4) would be suitable only as second-class cars after being fitted with Janny's platform, and coupler, and Westinghouse air brakes, which will cost $120 per car and $300 per engine. Therefore this road, for such a line, is merely valuable as giving a road bed, culverts, bridges, water tanks, warehouses, with iron only useful for siding and engines for construction and wood trains.

Col. J. D. Whitford's present management of this road must be commended. The bridges are safe and are receiving constant and careful attention. The management are alive to the importance of not being over economical when the safety of their patrons is concerned.

The accounts and inventories of the different departments were in such business like order, that our inspection and appraisement was comparatively an easy task.

Without specific notice with regard to the chief of any department, we report them all as organized on a systematic basis. The description of the road is admirable, and we consider it, as at present managed, one of the safest roads in the State.

As per recapitulation hereunto annexed, we value this property at $247,880.78, without counting the station houses, bridges, &c., which are elsewhere estimated in the report.

MOREHEAD CITY—Freight Office.

MATERIAL, FURNITURE, &C.,

Items:	DESCRIPTION AND PRICE:	Dols. cts.
1	Office Desk,	$ 8.00
1	Copying Press,	5.00
1	Ticket Case,	3.00
1	" Stamp,	1.00
1	Car Seal, "	.50
1	Hand Lantern,	.50
4	Reflecting Lanterns, $2	8.00
3	Hand " White, 50c	1.50
1	Office Lamp, Tin,	.25
2	Oil Cans, 10c	.20
8	Chairs, 6, 25c., 2, 10c	1.70
4	Stool Chairs, 10c	.40
4	Benches, 50c	2.00
1	Axe,	.50
1	Crow bar,	.50
4	Trucks, 3, $4, 1, $2	14.00
1	Small Scale,	
	lbs. Old Iron Piling,	
		$ 47.05

NEWBERN—President's & Treasurer's Office.

FURNITURE, &C.,

Items:	DESCRIPTION AND PRICE:	Dols. cts.
1	Desk, (Ash)	$ 15.00
1	P. O. Delivery,	
1	Ink Stand, (Glass)	.50
1	" " "	.50
1	Sponge Cup,	.50
1	Paper Weight,	.25
1	Waste Basket,	.25
1	Pine Table,	2.00
2	Cane Seat Chairs,	1.50
1	Plush Chair, (President's)	5.00
1	Bracket Lamp,	1.00
1	Stewart's Base Burner,	15.00
1	Iron Safe,	500.00
1	Office Table,	4.00
1	" Chair	1.50
1	Ice Cooler,	1.00
1	Ink Stand,	.25
		$ 548.25

2	Cases for filing papers,
	Lot of Money-wrappers and Envelopes,
	Tin Case for same,
1	Mucillage Stand,
1	Pitcher and Basin,
1	Map of N. C.
1	Paper Weight

NEWBERN—BOOK KEEPER'S OFFICE, JULY 8TH, 1881.

Items :	DESCRIPTION AND PRICE :	Dols. cts.
1	Walnut Desk,	$ 10.00
1	Kerosene Lamp,	1.00
7	Paper Weights,	1.00
4	Ink Stands, 25c	1.00
1	Desk Stool,	2.00
2	Walnut paper cases,	5.00
11	Paper-hooks,	.25
2	Paper-chests,	2.00
1	Copy-brush and box,	.25
1	Letter Press,	5.00
1	Rubber Stamp, (Book Keepers)	2.00
1	Rubber Rule and Tin Paper-cutter,	.50
1	Cal. Office clock,	25.00
1	Case for Stationery,	5.00
2	Walnut Paper Files,	.50
1	Waste Basket,	.25
1	Eyelet Punch,	.75
1	Book Rest,	.25
1	Ticket Box,	1.25
		1.00
		$ 64.00

NEWBERN—MATERIAL IN MACHINE SHOPS.

Items :	DESCRIPTION AND PRICE :	Dols. cts.
15	Axles, 4500 lbs. 3c.	$ 135.00
3000	lbs. Old Brass and Copper, 14c	420.00
542	" New " " " 25c	135.50
16	" Belting, 12in., $1	16.00
6	" 2¼ " 45c.	2.70
3	Car Brushes, 25c	.75
	Emery Cloth, (Ream)	6.00
29	lbs Rubber Cloth, 20c	5.80
27	" Hose, 30c	8.10
26	Globe Lamps, 12½c	3.25
18	Tons New Cast Iron, 3c	108.00

20	Tons Wrought Scrap, $20	400.00
15	" Cast Scrap, $15	165.00
357	Split Keys, 1½c	5.35
17	Switch Locks, $10	15.00
3	New Lanterns, $12	4.00
4	Ball Lye, 15c	.60
265	lbs. Nails, 4c	10.60
693	" Rivets, 6c	41.58
12	" Solder, 22c	2.64
16	" Bell Cord, 15c	2.40
1053	" Nuts, 6c	63.18
8	" Packing, 18c	1.44
15	" Tacks, 43c	6.45
36	Test Copper Dipes, 40c	14.40
2000	lbs. Old Spring Steel, 6c	120.00
300	" New " " 10c	30.00
922	" Hebberds, 8½c	78.37
170	" Gum Spring, 23c	42.50
200	" Frog Heel, 8c	16.00
414	" Tool " 12c	49.68
4700	Seals and wires (per M) $2.70	12.70
366	Lag Screws, 4c	14.64
125	lbs. Block Tin, 22½c	28.12
54	Old Car Wheels on Axle, 10½ Tons, $22	231.00
6	Tons Old Wheels, $22	132.00
9	" New "	100.00
362	lbs. Washers, 6½c	23.53
72	" Lamp Wicks,	2.00
3	Urinals,	10.50
42	Babbits,	10.50
	Total:	$2475.28

NEWBERN—PAINT SHOP—TOOLS, PAINTS, &C.,

Items:	DESCRIPTION AND PRICE:	Dols. cts.
1	Dusting Brush,	$ .50
5	Bristle Brushes, (ooooo) 90c	4.50
3	Sash Tools, 20c	.60
1	Paint Mill, (bad order)	4.00
12	Paint Buckets, 10c	1.20
6	Tin Cans, 25c	1.50
1	Sable Hair Striping-brush,	2.00
6	" " Lettering Pencils,	1.00
4	Gals. Spts. Turpentine, 60c	2.40
4	" Raw L. Oil, $1	4.00
4	" Hard drying oil, fine varnish, $3.50	14.00
4½	" Outside finish varnish, (Murphy's) $5.50	24.75
5	" Inside " " (Valentine's) $5.00	25.00

8	"	Stock Black Varnish, $1.50	12.00
4	"	Asphaltum, 40c	1.60
2	lbs.	Spanish Whiting, 5c	.10
150	lbs.	Iron-Ore Paint, ground in oil, 6c	9.00
400	"	Yellow Ochre,	24.00
50	"	Raw Umber, dry, 16c	8.00
4	"	Cobalt, (Blue) 20c	.80
5	"	Ultramarine, (Blue) 30c	1.50
10	"	Golden Ochre, 20c	2.09
20	"	Raw Sienna, 15c	3.00
20	"	Burnt " 15c	3.00
2	"	Paris Green, 40c	.80
5	"	Red Ochre, 6c	.30
10	"	Drop Black, 20c	2.00
10	"	Burnt Umber, 20c	2.00
5	"	Vandyke Brown, 15c	.75
10	"	Am. Vermillion 90c	9.00
2	"	Rose Pink, 12½c	.25
1	"	Scarlet Lake,	3.00
50	"	BB. White Lead, 10c	5.00
50	"	Chunk Pummice Stone, 6c	3.00
10	"	India Red,	2.00
		Graining Tools,	5.00
			$183.55

NEWBERN—REPAIR SHOP.

Items:	DESCRIPTION AND PRICE:	Dols. Cts.
800	lbs. New Wrought Iron, 2½c	$ 200.00
3	Gross Screws. 3½in., No. 20, 55c	1.65
11	" " 2 " " 13, 55c	6.05
4	" " 3 " " 14, 55c	2.20
12	" " 1½ " " 13, 55c	6.60
5	" " 1 " " 9, 55c	2.75
2	" " 1¼ " " 10, 55c	1.10
3	" " ¾ " " 8, 55c	1.65
6	" " ½ " " 6, 55c	3.30
3	" Brass " ¾ " " 8, 57c	1.71
3	" " " ⅝ " " 9, 57c	1.71
		$ 228.70

NEWBERN AND ON LINE.

Road Masters' Supplies, Tools, &c.

Items:	DESCRIPTION AND PRICE:	Dols. Cts.
12	Adzes, $1	$ 12.00
73	Spades and Shovels, 70c	51.10
15	Claw Bars,	22.50
17	Spike Hammers,	17.00
34	Tamping Bars, Spade end,	33.00
23	Picks, 75c	17.25
23	Cold Chisels,	11.50
18	Axes, 70c	12.60
9	Lamps, 50c	4.50
13	Oil Cans, 30c	3.90
17	Hoes, 70c	11.90
18	Briar Hooks, $1	18.00
7	Saws, $2.25	15.75
3	Monkey Wrenches,	4.50
4	Pinch Bars, $1	4.00
15	Wrenches, $1	15.00
2	Track Lifters, $6.25	12.50
1	Rail Straightener,	75.00
140	Augers, 60c	84.00
1	Plane,	.75
5	Tank Nozzles, $10	50.00
2	Boring Machines, $5	10.00
4	Cant Hooks,	2.00
5	Mortising Chisels, $1	5.00
2	Squares, $1.50	3.00
2	Jacks, $8	16.00
4	Buckets, 20c	.80
2	Hatchets, $1.25	2.50
1	Pump,	60.00
1	Spirit Level,	1.00
	Grind Stones,	
2	Stoves and Fixtures, $5	10.00
2	Falls,	35.00
150	Feet Inch Rope,	10.00
	Spikes,	100.00
1	Water Tank,	50.00
1	Wind Mill,	100.00
1	Pile Driver,	250.00
35	Tons Iron Piling,	400.00
10	Thousand Feet Timber, &c.,	110.00
1	Office Desk,	8.00
	Track Scales,	
		$ 1650.05

Less. 300 for cast Iron Piling used - 1350.05

Add 1 Iron Boy, 1 Track Drill - 280 lbs

NEWBERN—Brick Ware House and Dunn's Office, Freight House.—Materials.

Items:	DESCRIPTION AND PRICE:	Dols. cts.
1	Truck,	$ 2.00
4	" $4	16.00
6	Hand Lanterns,	6.00
1	Large Lamp,	2.00
2	Shovels,	2.00
1	Chest,	1.00
1	Desk,	8.00
1	Table,	1.00
1	Iron Safe,	100.00
3	Stoves, $5	15.00
1	Copying Press,	1.50
3	Chairs, $1.50	4.50
1	Water Cooler,	1.00
2	Closets,	2.00
2	Dating Stamps,	3.00
1	Numbering Stamp,	3.00
2	Trucks, $4	8.00
3	Lamps, $1.50	4.50
	Warehouse Wharf,	
2	Stoves, $3	6.00
		$ 186.50

NEWBERN.—Car-Lumber, &c.,

Items:	DESCRIPTION AND PRICE:	Dols. cts.
40,000	Feet B. M. Yellow Pine, $10	$ 400.00
2.000	" B. M. $12	24.00
	Car Sills, &c., 50, long,	
40	Tons Coals, $6	240.00
		$ 664.00

NEWBERN.—Oil, Tallow and Waste.

Items:	DESCRIPTION AND PRICE:	Dols. cts.
286	Gals. 16c	$ 44.80
75	" Engine Oil, 25c	18.75
10	" 70c	7.00
86	" Signal " 57c	49.02
60	" Head Light Oil, 13c	7.80
180	" Kerosene, 9c	16.00
370	" Car Grease, 3½c	12.95
515	Lbs. Tallow, 8½	43.78
650	" Waste, 6¾	43.88
		$ 244.18

NEWBERN REPAIR SHOP.

Inventory of Blacksmith Tools.

Items:	DESCRIPTION AND PRICE:	Dols. cts.
65	Bolt Tools,	
27	Tap Swedges,	
30	Bottom "	
6	Top Fullers,	
9	Bottom Fullers,	
7	Bolt-head Firmers,	
2	Set Hammers,	
2	Flatters,	
10	Heading Cups,	
231	Punches, Mandrils, Firmers Drifts,	
10	Chisels,	
3	13 Lb. Sledge Hammers,	
2	24 " " "	
3	Swedge Blocks,	
110	Pr Tongs,	
3	Anvils,	
1	Ring Former,	
1	Brace,	
7	Forges,	
1	Blower,	
1	Rivet Guage,	
4	Lathe Tool Formers,	
1	Face Plate,	
1	Vise,	
2	Battering Rams,	
2	Beck Horns,	
3	Hardys,	
1	V Block,	
1	Wheel Barrow,	

Boiler Makers Tools.

Items:	DESCRIPTION AND PRICE:	Dols. cts.
2	Cast Iron Sheet Formers,	
2	Screw Punches,	
2	Riveting Hammers,	
1	Beveled Facer,	
1	1 in., Reamer,	
1	1⅛ in., "	
1	Steel Maul,	
3	Tuble Expanders, from 1½in., to 2	

MOULDERS TOOLS.

Items :	DESCRIPTION AND PRICE :	Dols. cts.
6	Tapping out Bars.	
4	Sledge Hammers,	
6	Sieves,	
3	Prs. Tongs,	
7	Ladles,	
2	Brass Furnaces,	
1	Iron "	
1	Wheel Barrow,	
	Patterns necessary to R. R. Shop.	

MACHINISTS AND CARPENTERS TOOLS.

Items :	DESCRIPTION AND PRICE :	Dols. cts.
	LATHES :	
1	Large Driving Wheel Lathe,	
1	28 inch by 16 feet 6 inch "	
1	22 " " 8 " 6 " "	
1	14 " " 4 " "	
1	20 " " 9 " Wood "	
1	24 " " 6 " Planer,	
1	Compound Shaper,	
1	Merriman Pat. Bolt Cutter, No. 2	
	Dies, from $\frac{3}{8}$ to $1\frac{1}{2}$ inches	
1	Large Drill Press,	
1	Portable " "	
2	Grind Stones,	
1	Truck Wheel Press,	
1	Driving " Screw,	
	Wiston's Pat'd Pulleys,	
1	" " " 2 Tons,	
1	" " " 1 "	
	JACK SCREWS :	
5	6 Tons	
6	10 "	
1	2 "	
1	Set Boiler Rolls,	
1	" Tinners "	
1	Portable Forge,	
1	Anvil,	
1	Cylinder Boring Bar and attachment,	
1	Truck Wheel Boring Bar 4 Cutters,	
1	Steam Guage Tester,	

VISES:

3 Vises, 7 inches,
2 " 5 "
2 " 3 "
1 Hand Planer,
2 Portable Drill Posts,
2 Angle Plates
102 Asst. Wrenches,
1 Set Rose-bits, from ½ inch to 5½,
2 Sets Stocks and Dies, from ¼ inch to 1¼,
1 Large Grip Wrench,
1 Small " "
1 Set Reamers, from ½ inch to 1½ in.,
2 " Tram Points.
Drills,
1 Set Sq. Shank. ¼ to 2½ inches.
1 " Round " ¼ to 1⅝ inches,
1 " " " Tap Drills, ¼ to 1⅝ inches,
2 Drill Ratchets,
4 Tube Sheet Cutters, asst. sizes,

TAPS:

1 Set ⅜ inch, Morse Patent,
1 " ½ " " " "
1 " ⅝ " " " "
1 " ¾ " " " "
1 " ⅞ " " Nut Taps,
1 " 1 " " " "
1 " 1⅛ " " " "
1 " ½ " " Shop Made Taps,
1 " ⅝ " " " " "
1 " ¾ " " " " "
1 " ⅞ " " " " "
1 " 1 " " " "
1 " 1⅛ " " " "
1 " 1⅛ " " in Stay Bolt,
1 " 1 " " " "
1 " ⅞ " " " "
1 " 1 12 Thread Tap and Die,
1 Cook's Pat. Car Bits ½ in to ⅞ & 1-16
1 Portable Wood Boring Machine,
6 Asst Augers,
1 Wood Saw Frame,
1 24 inch Saw,
1 14 " "
1 Large Pair Shears,
1 Small " "
5 Drill Stocks,
1 Hack Saw Frame and Blade
3 Pr Grip Tongs,

50	Lathe Mandrils,	
1	Large Face Plate,	
1	Small Face Plate,	
25	Parallel Strips Asst sizes,	
3	V Blocks,	
	Stationary Engine and Boiler, 40 H Power Donkey Pump, Machine Shop, Blacksmith Shop, Foundry, Carpenters Tools,	
	All the above estimated at :	$12,000.00

ROLLING STOCK—ON LINE.

LOCOMOTIVE ENGINES.

Items :	DESCRIPTION :	Dols. cts.
1	Locomotive, "John Stanly," Breece and Kneeland, Cylinder 14 x 22, 20 Tons,	$ 4,500.00
1	Locomotive "Wm. Gaston," Norris, Cylinder 13 x 24, 22 Tons	4,000.00
1	Locomotive, "Chas. Fisher," Breece and Kneeland, 14 x 22 Cylinder. Boiler not good. 20 Tons	4,000.00
1	Locomotive, "No. 7," Breece and Kneeland, 15 x 22 Cylinder. Boiler not good. 24 Tons	4,000.00
1	Locomotive, No. "8," Baldwin's, 15 x 22 Cylinder. 28 Tons	4,500.00
1	Locomotive, "John D. Whitford," Roger, 20 Tons, 13 x 20 Cylinder	4,200.00
1	Locomotive, "Blue Bird," Baldwin, (being repaired,) 16 x 22 Cylinder, (with new boiler) 28 Tons	2,500.00
1	Locomotive, "Bragg," Scrap 20 Tons, 13 x 20 Cylinder	1,500.00
1	Locomotive, "Hawks," Scrap, 22 Tons, 13 x 24 Cylinder,	1,500.00
		$30,700.00

ROLLING STOCK—On Line.

Passenger Cars:

Items:	DESCRIPTION AND PRICE:	Dols. Cts.
1	1st Class Coach (No. 4)	$ 1,700.00
2	2nd " Cars,	3,000.00
3	3rd " "	3,600.00
2	Baggage and Mail,	1,200.00
1	2nd Class in Shop under repairs,	1,000.00
		$10,500.00

Freight Cars:

6	New Box Cars, $250.00	$ 1,500.00
20	Box Cars	3,000.00
2	Shanty Cars, $150.00	300.00
		$ 4,800.00
28	Flat Cars, $150.00	$ 4,200.00
8	Crank Carss, $60	$ 480.00
8	Pole Cars, $30	240.00
		$ 720.00
		$20,220.00

ON LINE—A. & N. C. R. R.

Iron Rails—Including Sidings.

Items:	Description and Price:	Dols. Cts.
100	Miles Rails @ 85 Tons pr. M.	$
850	Tons " "$21	$178,500.00

KINSTON.

Furniture and Tools.—July 1st, 1881.

Items:	DESCRIPTION AND PRICE:	Dols. Cts.
1	Iron Safe,	$ 30.00
1	Desk,	8.00
1	Ticket Case,	8.00
1	Clock,	3.00
2	Pinch Bars,	1.00
2	Trucks, 1 $2, 1 $4	6.00
2	Hand Lanterns, 50c	1.00
2	Lamps, 25c	.50
7	Chairs,	3.00

1	Ticket Stamp,	.50
1	Monkey Wrench,	1.00
1	Water Bucket,	.10
4	Cotton Hooks,	.10
2	Brooms,	
2	Oil Cans,	.10
1	Pr Dog Irons,	
1	Cot,	1.50
		$ 63.80

A. & N. C. R. R.

LAGRANGE STATION.

FURNITURE, BLANKS, BOOKS, &C., JULY 8TH, 1881.

Items:	DESCRIPTION AND PRICE:	Dols. Cts.
1	Fairbanks Scale, No. 8,	$
2	Platform Trucks, 1 $2, 1 $4	6.00
1	Ticket Desk,	8.00
6	Stool Chairs, 1 Seal Box, 50c	3.00
1	Oil Can, 1 Broom,	.50
1	Clock,	1.50
1	Ticket Stamp,	1.00
1	Ink Stand, 2 Lamps,	2.50
1	Writing Desk, larger size,	5.00
		$ 27.50

GOLDSBORO.

FURNITURE & TOOLS.

Items:	DESCRIPTION AND PRICE:	Dols. Cts.
1	Iron Safe,	$ 30.00
1	Ticket Box,	8.00
2	" Stamps,	11.00
2	Desks,	12.00
1	Chair,	1.00
1	Stool,	.50
1	Table,	1.00
1	Press,	5.00
1	Clock,	5.00
1	Office Lamp,	.50
2	Hand Lanterns,	2.50
1	Water Bucket,	.10
1	Tin Basin,	.10
1	Cup	
1	Ink Stand,	
1	Ruler,	

1	Bottle Ink,	
4	Pen Holders,	
1	Doz. Pens,	
¾	Quire Writing Paper,	
1½	Reams Manifest Blanks,	
2	Reams Tissue Paper,	
2	Quires Daily Abstract Blank	
½	" Exceptions,	
¼	" Pay Roll,	
½	Doz. Sheets Monthly Report'	
150	Official Envelopes,	
1	Pkge Small Envelopes,	
1	Dusting Brush,	
1	Pinch Bar,	1.00
3	Trucks,	12.00
1	Marking Pot & Brush,	.10
3	Oil Cans,	.10
		$77.90

RECAPITULATION.

Morehead City,	$ 47.05	
Axles,	2475.28	
Oil, Tallow and Waste,	244.18	
Warehouse, Newbern,	186.50	
President's & Treasurer's Office—Newbern,	548.25	
Book Keeper's Office, " "	64.00	
Car Lumber,	664.00	
Newbern, Supplies Road Master,	1650.05	
Kinston Station, Furniture, Tools, &c.	63.80	
LaGrange Station Furniture	27.50	
Goldsboro',	77.90	
Paint Shop,	183.55	
Repair Shop,	228.72	
		$ 6460.78
Newbern Machine Shop, Foundry,		12,000.00
Locomotives, &c.,		30,700.00
Rolling Stock on Line,		20,220.00
Rails,		178,500.00
		$247,880.78

STATION HOUSES, TANKS. AND TURN TABLE.

The following is a list of Station Houses and Tanks. The condition of which is embodied in this report, together with their value. This is not included in the Recapitulation of the value of the Road, but is merely to protect both parties, in case of accident by fire or otherwise.

This is our estimated value of these buildings, and we consider, the amount will replace them, if destroyed or worn out in service, before the expiration of the lease.

LOCALITY.	DESCRIPTION.	CON.	EST. VAL.
Morehead City,	Warehouse and Wharf,	Fair.	$ 3,000
" "	Water Tank and Wind Mill,	Good.	250
" "	Turn Table,	Bad.	200
Newport,	Tank and Pump,	Fair.	160
New-Berne,	Freight Warehouse, Wood,	"	2,500
"	Warehouse & Dock, Neuse River, Brick, Wharf,	"	2,500
"	Water Tank and Pump,	"	200
"	President's Office,	Poor.	300
	Round House, Machine Shops, Foundry and Blacksmith Shops are included in estimate, value being $12,000, Brick,	Fair.	
"	Cast Iron Turn-table, Sellers,	Good.	800
Cove Station,	Pump and Tank,	Good.	160
Kinston Station,	Freight Warehouse (Brick) and Platform Scales,		2,000
" "	Water Tank and Pump,		160
LaGrange,	Station House, Tank and Pump,		860
Goldsboro,	Brick Warehouse and Platform Scales.		4,000
			$17,090

BRIDGES.

Enclosed is a list of Bridges, giving span, condition, &c., and an estimated value, which does not appear in the Recapitulation, but shows their present value, in case they have to be replaced from loss by fire or otherwise.

LOCALITY.	SPAN.	CONDITION.	VALUE.
Woodbridge Creek Bridge,	60 ft.	Good.	$ 360
East New Port Sluce Bridge,	33	"	198
New Port Bridge,	350	"	2,100
" " (Draw)		"	350
West New Port Sluce Bridge,	33	"	198
Slocomb Creek Bridge,	33	"	198
Scott's Creek Bridge,	60	"	360
Trent River Bridge,	1746	"	10,476
" " " (Draw)		"	1,800
Smith Creek Bridge,	33	"	198
Batchelor Creek Bridge,	60	"	360
Core Creek Bridge,	60	"	360
Cabin Branch Bridge,	60	"	360
South West Creek,	60	"	360
Neuse River Bridge,	780	"	4,680
" " " (Draw)		"	1,000
Falling Creek Bridge,	60	"	360
Bear Creek Trestle,	60	"	360
Stony Creek Bridge,	60	"	360
			$24,438

In addition to above, there are a number of small open culverts and bridges in good condition, the value of which is fully covered by liberal estimates in the Recapitulation.

"The condition of the Road, Mr. W. P. Metts, Road Master, reports as follows :

"The Road bed is in fair condition. The bridges, culverts, trestles and cattle guards are in safe condition. The draw in the Trent river bridge should be rebuilt this Fall, and a new centre will be required for the draw in the bridge over Neuse river. Scott's Creek and Smith's Creek breek bridges have been re-tinned, and also that portion of the roof of Stony Creek bridge which required it. Many of the rails on the Road from long and hard usage have been laminated at the ends. By cutting them off they could be made almost equal to new ones, and thus do much towards making a smooth and easy track. I have commenced this work on the rails, and it should be continued as fast as circumstances will permit.

"The iron rails obtained recently from the United States Government which were at Fort Macon will aid much in improving the track. I am now replacing some of the rails most worn on the main line with them. I have had distributed fifteen thousand new cross ties during the year, and will continue their distribution where needed in the Road, during the summer months.

"The warehouses are all in good condition. The brick warehouse at Kinston has been re-covered with tin, thoroughly repaired and newly painted.

"The platform and bulkhead at Morehead City will require some slight repairs between this date and the winter months. The platform extending from the wharf to deep water at Newbern should be rebuilt without delay, and the freight agent, Mr. W. Dunn, thinks it should be increased in length, to allow rapid and cheap interchange of freights between the cars, vessels and steamers.

" You have yourself had the machine shops and engine house examined, and know the importance of having them early repaired and altered to prevent much larger outlay in the future.

"The ditches generally in the cuts now need cleaning out, and the embankments in some parts of the Road widening.

"The water tanks are all in good order. We have now one tank extra and ten thousand feet of lumber for bridges.

"There are now employed in the Road department, seven Section Masters, working altogether thirty-five hands, four carpenters and four laborers on bridges, wharves, etc., and two hands for general service."

"In addition to this information from the Road Master, we have to state, we have had an accurate center line run over the entire road, and pegs were driven every two hundred feet to mark the exact center of the track. With a little effort and attention on the part of the Section masters hereafter, the swings can be taken out of the track, and the line kept direct as it was originally.

The Engineer, Mr. Reid Whitford, who ran the line, having tested with a level several of the grades ascending from the streams on embankments of eight feet and over, ascertained that, by the settling at the embankment, together with the removal of the earth with the grass, from the track from year to year, the original maximum

grade of twenty-six feet per mile, had been changed to reach nearly fifty feet per mile, for short distances, over embankments into the cuts. This can be corrected, at least, in a measure without much additional expense, with the earth from the cuts and ditches, and should be done, as it would enable the light Engines on this Road, at no inconsiderable saving of wear and tear of machinery and road, to carry as heavy trains as the larger Engines on connecting roads. The Chief Engineer, Col. W. B. Thompson, in locating your Road, kept this advantage for you constantly in view: 'A perfect Railroad it has been said, 'would be an air line from point to point, on a level.' 'Such a Road would traverse no distance beyond what would be necessary, and being free alike from grades and curves, would obtain the maximum effect from the power employed.'

Of this Road eighty-eight miles is one straight line, the balance, (eight) is so slightly curved that it is not perceptible in its operations. Twenty feet elevation to the mile reduces the power of the Engines one half, The successful running of the trains we have before referred to, and the additional miles run and tons of freight moved over the two previous years. The passenger schedule moreover, has been shortened more than an hour over the line, and we have been compelled to run unusually fast freight trains to accomodate the shippers of corn, and especially, those of truck, at and near Newbern, and make the necessary connections at Goldsboro'. It is but reasonable to suppose therefore, that the Road Master and those under his immediate direction, will share in any praise that you may accord to those who labor for your interest.

The trains could not run throughout the year, unless there was a firm and safe Road under them.

With regard to Machine Shop and Engine house, we are of the opinion, that the parapet walls of both should be taken down and the eaves of the roof of the building made to project beyond the main walls two or three feet. If this were done, the ends of the beams in the future, would be protected from the rains and would last an indefinite period. This course has been pusued with some of the buildings at the Company Shops. With the brick from the parapet walls a Carpenters shop should be erected, back of and adjoining the Engine House. The necessity of such a building to which, could be coveniently extended the shafting from the Machine Shop to run saws, planing and mortising machines, must be admitted, and its erection cannot longer be delayed without a considerable loss annually to the Company."

Respectfully Submitted,

B. R. Harding, }
J. B. Yates, } Appraisers.

LEASE.

This Indenture made this First day of July, 1881, between the Atlantic and North Carolina Railroad Company of the first part, and the Midland North Carolina Railway Company of the second part, *Witnesseth:*

First. That the party of the first part, in consideration of the rents, covenants and agreements hereinafter mentioned, reserved and contained on the part and behalf of the party of the second part, to be observed, kept and performed, has demised and leased and by these presents does demise and lease unto the party of the second part the entire railroad of the party of the first part, extending from its terminus on Beaufort harbor, North Carolina, to its terminus in the town of Goldsboro, North Carolina, being in length ninety-eight miles or thereabouts; also all the lands, tenements, hereditaments, appurtenances, buildings, fixtures and machinery appurtenant and belonging to or connected with the said railroad, or in any manner used or employed by the party of the first part in operating the said railroad; also all rails, ties, fencing and erections of every kind belonging to, upon, or connected with said railroad; also all the cars, locomotives, engines, tools, machinery, equipments and appliances belonging to or connected with said railroad and the use thereof; also all and every other property, real and personal, connected therewith; also all and every right of way, license, easement, right, privilege and immunity of the party of the first part conferred by or possessed and enjoyed under and by virtue of its charter, and of any and every act passed and to be passed amendatory thereof, with the full right and authority to have, hold and use such rights of way, easements, rights, privileges and immunities as fully as the party of the first part might or could, if these presents had not been executed: to have and to hold all and singular the above demised railroad, premises, property, estate and effects unto the party of the second part and its successors from the date hereof for and during the full term of thirty (30) years, unless sooner terminated as hereinafter provided, yielding and paying therefor unto the party of the first part or its successors rent at the rate of forty thousand dollars per annum from the date of these presents until the thirtieth day of June (1911) nineteen hundred and eleven.

Second. The said party of the second part, in consideration of the demise, covenants and agreements herein contained and to be performed and kept by the party of the first part or its successors, hereby covenants and agrees that it will pay the annual rental aforesaid semi-annually, to-wit: The sum of twenty thousand dollars ($20,000) on the first days of January and July in each and every year of said term; and to secure the prompt and faithful payment of said rental, the party of the second part doth covenant and agree to deposit and keep on deposit, in the National Bank of New-Berne, N. C., or in such other Bank or Banks as may be approved by the Board of Directors of the Atlantic and North Carolina Railroad Company the sum of forty thousand dollars ($40,000) in the new consolidated four per cent. bonds of the State of North Carolina; said bonds or the proceeds thereof to be used by the party of the first part to

satisfy and discharge any of said semi-annual payments, which shall remain unpaid for the period of sixty days from and after the date when the same shall become due and payable: but it is mutually understood and agreed that said bonds shall be deposited in and held by said National Bank of New-Berne, North Carolina, in such manner as to enable said party of the second part to collect the interest accruing thereon, as the same shall from time to time become due, provided the party of the second part shall faithfully pay the semi-annual rental as aforesaid.

Third. The party of the second part further covenants and agrees that during the term hereby granted it will at its own cost, risk and expense maintain and keep the aforesaid railroad, together with all the property real and personal thereunto appertaining or belonging, hereby demised by the party of the first part in as good condition and repair as at the date hereof; and at the end of said term of thirty years, or the earlier termination of this lease to return to the party of the first part or its successors said railroad and property, all and every part thereof or like things in as good condition as when the same was delivered to the party of the second part. And for the faithful performance of this obligation the party of the second part covenants and agrees to deposit and keep on deposit in the said Bank or Banks the sum of Forty-five thousand dollars ($45,000) in the new consolidated four per cent. bonds of the State of North Carolina; but it is agreed that said bonds shall be deposited in and held by said Bank or Banks in such manner as to enable the party of the second part to collect the interest accruing thereon as the same shall become due. It is further agreed that the party of the second part may withdraw the whole of the principal of said bonds from time to time and in sums of ten thousand dollars ($10,000) at a time as said parties shall expend the sum of ten thousand dollars ($10,000) in new rolling stock for said railroad, said Bank to deliver said Bonds to the said party of the second part as herein provided, upon the joint certificate of the duly authorized agents of the parties hereto, said agents to receipt for said bonds to said Bank and their receipts to be taken and considered as fully releasing said Bank from all and every liability as trustee in the premises. All new rolling stock purchased by the party of the second part shall be and remain pledged to the party of the first part in place of the money so withdrawn, and the present rolling stock of the party of the first part and any which may be substituted therefor shall be designated by such lettering thereon as may be necessary to distinguish the same from the rolling stock of the said party of the second part.

Fourth. The party of the first part further covenants and agrees that during the term of this lease, it will at its own cost and expense keep up and continue its organization, and also at all times when thereunto reasonably required by the party of the second part to do and perform all such reasonable acts, matters and things as may be proper for the due protection, preservation and enjoyment of the property hereby demised and to carry into effect the true intent and meaning of this instrument so far as the same may be done consistently with the rights of the said party of the first part, and in default thereof the same may be done by the party of the second part at the expense of the party of the

first part, and in so doing the party of the second part may use the name, power and authority of the party of the first part. And the party of the first part further covenants and agrees to use the rental aforesaid in the manner and for the purposes following, to-wit: *First*, to maintain the organization of the party of the first part and pay the taxes upon the property hereby demised. *Second*, to pay the interest upon its bonded and other indebtedness. *Third*, to pay and discharge the principal of said indebtedness, and until said indebtedness shall have been extinguished, the party of the first part shall not declare or pay any dividend upon its stock.

Fifth. Immediately upon the execution of this agreement, a fair valuation and inventory shall be made of said railroad and the other property hereby demised, said valuation and inventory to be made by two experts, (one to be selected by the party of the first part and the other by the party of the second part) who shall in case of disagreement select an umpire. The said valuation and inventory shall be made in duplicate, one copy for each of the parties hereto, and annually thereafter in the first week in July of each year a like valuation and inventory shall be made by experts chosen as aforesaid. Such experts to travel over the entire length of said railroad at least twice in each year to inspect the condition of the same and also of the rolling stock, and if the said experts, or in case of a difference between them one of them and the umpire shall report any repairs necessary to make said railroad and its property conform to the requirements of this lease, it shall be the duty of the party of the second part to make the required repairs within a reasonable time to be fixed by said experts; and in case of failure to do so it shall be competent for the party of the first part to declare a forfeiture of this lease. Said experts shall also report any dereliction of duty or other violation of this contract on the part of the party of the second part, in which event notice shall be given to said party of the second part to proceed to comply with requirements within the reasonable time to be fixed as aforesaid, and if the party of the second part shall fail to comply with the requirements as aforesaid, it shall in like manner be competent for the party of the first part to declare the lease forfeited. Upon the termination of this lease by limitation or otherwise a like valuation and inventory of said railroad and property shall be made by experts chosen as aforesaid, said inventory to be in duplicate, one copy for each of the parties hereto.

Sixth. It is further agreed that the purpose of the party of the second part in leasing said railroad is to make it a portion of the main line of the railroad system of the party of the second part from Beaufort Harbor to the Tennessee State line, and if the party of the second part shall fail for the period of three years from the date hereof to build, own and control a Railroad from Goldsboro, North Carolina, to Salisbury, North Carolina, then and in that event the party of the first part shall have the right at its option to terminate this lease, and it is hereby expressly agreed, that the party of the second part shall begin active work on its proposed new line of Railroad between Salisbury and Raleigh, or Goldsboro, within three months after the ratification of this lease, said pro-

posed entire new line of Railroad to be completed within three years thereafter—provided that no part of the North Carolina Railroad wesf of the city of Raleigh shall ever be used as a part of said proposed new line—but the party of the second part may use the portion of the North Carolina Railroad between Goldsboro and Raleigh for the purposes ot this lease, if the party of the second part shall be able to secure the use and control of the same. *Provided, however*, That a failure on the part of the party of the second part to begin work on said new line within the time specified and push the same with energy and complete the same within three years from the date hereof, it shall be competent for the said party of the first part to terminate this lease.

Seventh. It is further agreed, that upon the termination of this lease, by limitation, or otherwise, the party of the second part shall be at liberty to remove, sell or otherwise dispose of, as its own, any and all property and improvements upon the Railroad and property hereby demised, not included in the inventory to be made upon the execution of this Instrument, and which the party of the second part has covenanted to maintain in as good condition as at the date hereof; the party of the second part to remove, sell or otherwise dispose of its said property and improvements within four months after the termination of this lease; and if not removed, sold or otherwise disposed of within four months as aforesaid, the same shall thereafter become the absolute property of the party of the first part: *Provided*, that nothing herein contained shall authorize the party of the second part to remove any property other than rolling stock, or property not belonging to the superstructure or buildings of said Road—and that such removal shall not be made until after the return to the party of the first part of all its property mentioned as aforesaid.

Eighth. Upon the termination of this lease, by limitation, or otherwise, the party of the first part shall be entitled only to the rent due at that time, and upon the payment of the rent so due, the bonds deposited as aforesaid to secure the payment of said rent shall at once be subject to the order of the party of the second part.

Ninth. It is further agreed, that during the term of this lease, the party of the first part will pay all taxes and assessments imposed, levied and accruing upon the Railroad property and effects hereby demised.

Tenth. The party of the second part, and its successors, shall at all times during the continuance of this lease have the exclusive right to manage and control the said Railroad, and all property, appurtenances and premises, rights and privileges hereinbefore demised; and to regulate and determine the tariff for passengers and freights: and the charges for all transportation over the whole or any part of said Railroad; and shall have the exclusive right to collect and charge all the passage money, rents, tolls and freights, and to appropriate the same to its use, and shall have, use and enjoy all the rights, power and authority aforesaid, and all other corporate powers and privileges which can be lawfully exercised and enjoyed on or about said Railroad and premises as fully as the same could have been used and enjoyed by the party of the first part if this instrument had not been made, and as exclusively

and amply as the party of the first part has or shall have authority by law to grant the same, subject nevertheless to the restrictions and regulations imposed by law.

Eleventh. It is further agreed that the party of the second part will hereafter pay all expenses incurred on account of said Railroad and demised premises, and will also pay and discharge all damages which may be recovered against the party of the first part for injuries to persons or property during the continuance of this lease or for negligence or breach of duty as carriers or warehousemen during the continuance of this lease, and in all respects shall save the party of the first part harmless and indemnified against all damages, losses and penalties which may be incurred by the conduct or operation of said Railroad during the continuance of this lease. As indemnity for failure to pay the damages mentioned in this section, the party of the first part may use any part of moneys so deposited as aforesaid, and if the party of the second part shall not replace the same so used, within sixty days after notice thereof, it shall be competent for the party of the first part to declare the forfeiture of this lease.

Twelfth. It is further agreed that the party of the second part shall not be required to make good any damage done to the Railroad and property hereby demised, by the act of God or the public enemy. But if the party of the second part shall repair or replace any of said Railroad or property so injured or destroyed, it shall be done at the expense of the party of the second part without any claim for compensation from the party of the second part.

Thirteenth. It is further agreed that the party of the second part may change the guage of said Railroad and generally do whatever it may deem necessary in the premises, *provided*, that at the termination of this lease, the party of the first part shall have the right to require the restoration of the present guage.

Fourteenth. It is further agreed that the party of the second part shall not assign or mortgage this lease, nor sublet the said Railroad without the consent of the Board of Directors of the party of the first part, and the schedule of charges for passengers and freights now in force upon said Railroad shall never be increased by the party of the second part.

Fifteenth. It is hereby agreed by the party of the second part that it will continue all courtesies heretofore allowed and extended by the party of the first part and other companies to the officers, ex-officers and stockholders of the party of the first part.

Sixteenth, It is further agreed that if the party of the second part shall make default in the payment of the sums of money they have agreed to pay as rental semi-annually hereafter for thirty days or more, after the same shall become due and payable, or if it shall make default in the payment of any part thereof, or if it shall fail to keep on deposit such sums of money or equivalent in bonds as it has herein covenanted to do, then the party of the first part upon giving at least thirty days notice to the party of the second part, shall have the right, should the party of the second part still remain in default, to dispose of and apply

the said deposits to any unpaid rent, and to enter upon and resume possession of said Railroad, and all said other property, rights, franchises, etc., of every kind and description, *provided, nevertheless*, that this stipulation shall not be so construed as to abridge or discharge any of the said covenants which require and provide for the payment of such semi-annual rent and every part thereof and for the return of the said Railroad and other property according to the terms of such covenants at any termination of said lease, and *provided further*, that the same shall be so construed that the party of the first part shall be entitled to all the rent due at any termination of said lease, and to have the said Railroad and other property of every kind returned as aforesaid to the party of the first part or damages for any failure to so return the same not exceeding the sum of forty thousand dollars ($40,000.

In witness whereof, JOHN D. WHITFORD, President, and F. C. ROBERTS, Secretary of the Atlantic and North Carolina Railroad Company, acting under and by virtue of authority of a resolution of the Stockholders and Directors of said Company, party of the first part, and W. J. BEST, President, and JOHN P. CADDAGAN, Secretary of the Midland North Carolina Railway Company, acting by authority of a resolution of the Board of Directors of the said Midland Railway Company, party of the second part, do hereto set their hands and affix the seals of the said corporations respectively.

CORPORATE SEAL.

The Atlantic and North Carolina Railroad Company
by JOHN D. WHITFORD, President,
F. C. ROBERTS, Secretary.

CORPORATE SEAL.

The Midland North Carolina Railway Company
by WILLIAM J. BEST, President,
JNO. P. CADDAGAN, Secretary.